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ABSTRACT

The intent of this project was to determine the financial impact of the rural economic crisis on rural community health centers. A 1986-87 survey reported changes in accounts receivable, bad debt, and sliding fee use, and the effect such changes may have on the cash position of rural community health centers. Of 284 rural community and migrant health centers, 183 surveys were returned, a 64% response. The data was compared with independent Public Health Service data. This final report confirms 1987 increases of 12.33% in sliding fee users; 11.23% in sliding fee discounts; 27.84% in medical bad debt; and 14.71% in medical accounts receivable. Nationwide, all centers experienced a decrease in cash position of \$13,458,494 in 1987 over 1986. That means the centers needed \$13.5 million more than they had available from income. The only way to fund this deficit would be to use cash reserves, increase debt, or increase accounts payable at the end of the year. There is a wide range in the regional impact. Some regions are experiencing a crisis, while others may be stable. This report verifies that there is significant economic stress in rural areas and shows that this stress has resulted in an increasing number of people unable to pay for health services. While centers have attempted to respond, they are losing the battle. If the trend is not stopped, many centers will not survive. (Author/TES)

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Community Health Centers and the Rural Economy: *the Struggle for Survival*



Joint Rural Task Force
of the
**National Association
of Community Health Centers**
and the
National Rural Health Association

December 1988

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and the Rural Economy:**

the Struggle for Survival



**Joint Rural Task Force
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National Association
of Community Health Centers
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COMMUNITY HEALTH CENTERS AND THE RURAL ECONOMY:
THE STRUGGLE FOR SURVIVAL

As economic decline in many rural areas of this nation has resulted in a significant increase in the number of unemployed and uninsured persons, community health centers (CHCs) are playing an increasingly important role in serving the health care needs of rural communities. However, in caring for the increasing number of indigent persons, rural health centers find themselves facing their own economic uncertainty: costs of care are rising while collections from patients and payers, and federal grant dollars, have not kept pace. These CHCs had been placed in medically underserved areas, usually those too poor or too remote to attract sufficient numbers of private physicians. The centers serve all members of the community who need their care: the insured and uninsured, the middle class and the poor. Federal grant funds subsidize services for those too poor to pay, and no one is turned away because of inability to pay.

To measure the impact of these changes on the centers' finances (and thus their ability to survive) and to study the relative importance of various factors on that impact, the Joint Rural Health Task Force of the National Association of Community Health Centers (NACHC) and the National Rural Health Association (NRHA) commissioned a study. The project sought to answer:

- How great an impact has the rural economic decline had on the financial position of the nation's 284 rural centers?
- What is causing the impact?
 - Overall increases in demand for care?
 - Increased demand for care from those poor people who formerly used other providers or who previously lacked access to care?

- Decreased ability of the centers' own users to pay for their care either through insurance or out of pocket?
- Increased costs beyond those created by increased demand?

Data available from the study, which was conducted by Northwest Health Services of Mound City, Missouri, make it possible to answer these questions. The project further provides a source of baseline data to identify economic trends, problems, and opportunities.

I. THE IMPACT OF THE RURAL ECONOMIC DECLINE ON THE FINANCIAL POSITION OF RURAL CENTERS

The economic standing of rural CHCs has declined between 1986 and 1987. Overall, CHCs' cash positions decreased by \$28,711,000:

- Operating expenses were up 14 percent, due mainly to an increased demand for the CHCs' health services.
- Sliding fee expenses (subsidies) for uninsured patients too poor to pay their bills were up 11 percent.
- Bad debts increased 25 percent. *
- Accounts receivable were up 6 percent. *
- Collections were up 11 percent, partially as a result of more rigorous billings and collections practices.

* "Accounts receivable" become "bad debts" when the center determines, based upon sound collection policies, that particular bills are unlikely to be paid. In either case, they represent cash that will not be available to meet the center's expenses.

- Federal grants rose by 11 percent (\$19,827,000), which helped significantly but did not cover the shortfall.

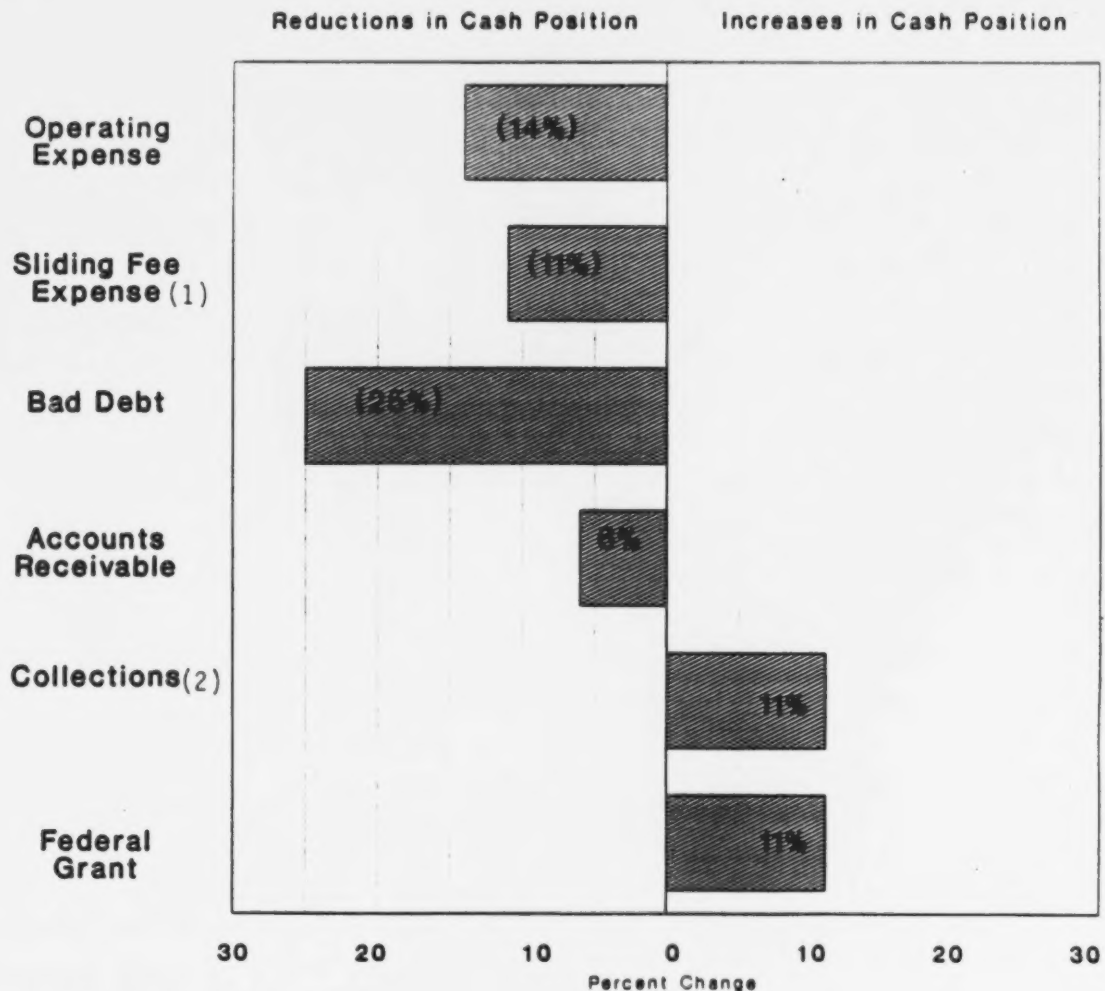
Exhibit 1 displays the financial pressures behind the cash deficit. The cash deficit is of particular concern because the survey results point to further downward pressure on revenues and increases in sliding fee expenses.

II. CAUSES OF THE IMPACT

The financial forces affecting rural centers include a combination of external and internal variables that are closely interrelated. Driven by the decline in rural economic conditions, centers are burdened by an increase in charity care and reduced cash flow. The factors contributing to the situation are:

- An increase in demand for the centers' services and the new patients who began using the center were more likely to be those requiring subsidies (i.e., those below 200 percent of the poverty income level). The centers served 7.8 percent more people in 1987 than in 1986. Growth was heavy in the core or essential medical services, up 10 percent. In fact, many centers reduced other services: patients receiving "other health" (e.g., nutrition education, trans-portion) declined 12 percent. Of the new patients, 83 percent had no public (e.g., Medicare) or private (e.g., Blue Cross/Blue Shield) insurance and lacked income sufficient to cover their medical costs.
- The centers' own patients were less able to pay for their care than formerly. Of the 12 percent increase in sliding fee scale users, 55 percent were established patients who previously paid with insurance or cash. These people had either lost their insurance through unemployment or through financially vulnerable employers who reduced their health insurance, or else they no longer had the cash income to pay their medical bills. The shift

EXHIBIT 1

CHANGES IN RURAL CHCs' FINANCIAL POSITION
1986 - 1987

(1) **SLIDING FEE EXPENSE:** THE AMOUNT BILLED AFTER APPLICATION OF A DISCOUNT ("SLIDING FEE") AVAILABLE TO THOSE PATIENTS WITH INCOMES BELOW 200 PERCENT OF THE POVERTY INCOME LEVEL.

(2) **COLLECTIONS:** PAYMENTS FROM PATIENTS AND PUBLIC AND PRIVATE INSURERS

SOURCE: JOINT RURAL HEALTH TASK FORCE, "COMMUNITY HEALTH CENTERS AND THE RURAL ECONOMY: THE STRUGGLE FOR SURVIVAL," OCTOBER 1988.

occurred despite the centers tightening eligibility for sliding fees and more aggressive billing procedures.

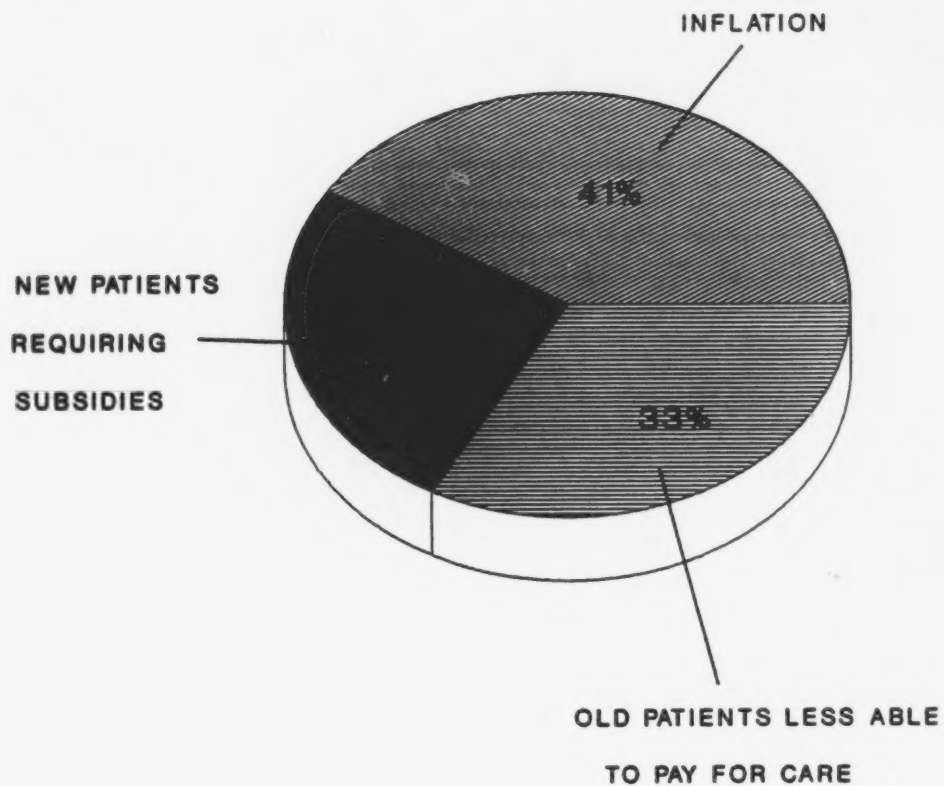
- The centers are faced with increased operating costs due to inflation and larger premiums for malpractice insurance. When the effects of increased demand are eliminated, the centers must still pay increased operating costs of 5.75 percent. Since this is less than the "physicians services" component of the Consumer Price Index, which rose 6.3 percent from December 1986 to December 1987, we can infer that the centers are controlling costs somewhat more successfully than private physicians.

Exhibit 2 displays the relative importance of these factors on the centers' financial positions.

V. CONCLUSION

Rural community health centers are ailing. Since many were deliberately located in areas with populations lacking sufficient financial resources to access health care, any downturn in the economy will adversely affect patients' ability to pay. CHCs' financial conditions are worsening as their annual losses continue to grow. Squeezed between rising costs and declining revenues, the rural community health center has few remaining alternatives other than to reduce patient services, eliminate the already meager capital investment, and raise eligibility requirements for sliding fee scale patients. Executive Directors responding to survey questions regarding these alternatives indicated they were already cutting services, capital equipment replacement, and operating expenses through personnel layoffs and supply reductions. They were particularly concerned about their ability to recruit and retain physicians and other medical personnel. They were unanimous in their belief that service reductions and higher charges will only mean health care access will worsen.

EXHIBIT 2
CAUSES OF DIMINISHED FINANCIAL POSITION



SOURCE: JOINT RURAL HEALTH TASK FORCE, "COMMUNITY HEALTH CENTERS AND THE RURAL ECONOMY: THE STRUGGLE FOR SURVIVAL," OCTOBER 1988.

In order to address the emerging crises in access to health care for rural residents, especially low-income families, identified in this report, it is recommended that:

- 1) Congress recognize the impact of the rural economy on health centers by increasing appropriations for centers to help offset losses and maintain access to care in rural areas.
- 2) Medicare and Medicaid reimbursement policy should assure that these government insurance programs are paying centers the cost of care for their beneficiaries. This will assure that federal Public Health Service grant dollars are not subsidizing Medicare and Medicaid but are, in fact, subsidizing only care for the uninsured.
- 3) Federal policy direction to enhance Medicaid coverage for uninsured persons should be fostered with special emphasis on unique rural circumstances.

ABSTRACT

The intent of this project was to determine the financial impact the rural economic crisis is having on rural community health centers. The project was funded as a project of the National Association of Community Health Centers and the National Rural Health Association's Joint Task Force on Rural Health. The project was directed by Northwest Health Services in Mound City, Missouri. The survey covers the calendar years of 1986 and 1987 and was designed to report changes in sliding fee, accounts receivable and bad debt and the effect they may have on the cash position of rural community health centers. That survey was mailed to all 284 rural Community and Migrant Health Centers and each Center contacted by telephone in order to prompt responses. One hundred and eighty-three surveys were returned for a response of 64%. The data on those returned surveys was compiled and processed through agreement with Northwest Missouri State University. It was their responsibility to ensure that all results were statistically valid.

The data from these surveys was compiled and studied in several statistical formats and then compared to the independent Public Health Service data for perspective and validation of our final report.

This report confirms major increases occurred in 1987 in sliding fee users (12.33%), sliding fee discounts (11.23%),

medical bad debt (27.84%), and medical accounts receivable (14.71%). As was expected, some regions are experiencing a greater impact than others. The net financial impact on the cash position of the rural community health centers was the question the researchers were investigating. Nationwide the rural Community Health Centers experienced a decrease in cash position of \$13,458,494 in 1987 over 1986.

That means \$13,458,494 more cash was required than the Centers had available from total income of collections and grants. The only way to fund this deficit would be to use cash reserves, increase debt, or increase accounts payable at the end of the year.

There is a wide range in the regional impact. Because of the extreme range, some regions are experiencing a crisis while others may be stable. The report provides the necessary information to verify that there is a significant economic stress occurring in rural areas. The survey further shows that this has resulted in an increased demand for uncompensated services resulting from an increasing number of persons unable to pay for services; and, increasing accounts receivable and bad debt created from persons unable to pay for services. While there is evidence that centers have attempted to protect their position by reducing costs, reduction of patient care services, elimination of all capital expenses, improving collections and increasing eligibility requirements for sliding fee scale - they are losing the battle. The situation is now critical in some regions and serious in others. The trend must be stopped. If not, many centers will not - cannot - survive.

**SURVEY DESIGN
AND
IMPLEMENTATION**

The National Association of Community Health Centers and the National Rural Health Association established a Joint Rural Health Task Force to bring the collective influence of both organizations to bear on critical issues affecting rural primary care and Community Health Centers. This Task Force was charged with the development of a mechanism for measuring those effects.

The depressed rural economy is the most critical issue facing the delivery of primary care services. As the rural industries have declined, the economic infrastructure has weakened leaving more and more rural persons unable to afford primary care services. Unfortunately, the problem for rural Community Health Centers is compounded by the dwindling support of Public Health Service funds.

Rural primary care providers, public and private, cannot meet this increased demand for uncompensated care or absorb the financial stress this puts on their practices. More and more rural primary care providers will be forced to react to these financial demands with more and more of the rural population finding primary care services unaffordable and inaccessible. With the number of those unable to pay steadily increasing and the number of financial resources steadily decreasing it seems that rural Community Health Centers are on a collision course with fiscal disaster.

This problem was underscored in the *"Report of Rural Community Health Centers in Region VII"* by Northwest Health Services, Mound City, Missouri. That Report, funded by Region VII of the United States Public Health Service, found a major increase in sliding fee scale demand, bad debt and accounts receivable, and, a major decrease in collections from 1985 to 1986. One center located in a predominantly row-crop farming

area reported an 1860% increase in sliding fee demand in 1986 over previous years. Others reported varying increases depending on their history of sliding fee users and the economy's dependence on farming or extractive industries. That report provided the first data illustrating the effect of the rural economic crises on Community Health Centers.

The recently established Joint Rural Health Task Force was concerned that the circumstances in Region VII were not a regional phenomena but a trend in financially stressed rural America. A project to measure and document the problem was proposed by the Joint Rural Health Task Force and funded with \$25,000 from the United States Public Health Service through the National Association of Community Health Centers. Northwest Health Services, a rural Community Health Center located in Mound City, Missouri, designed and performed the first two rural economic research projects in Region VII and contracted to design and perform a project to determine the financial impact, if any, of the current rural economy on Community Health Centers.

Northwest Health Services' objective was to develop a survey instrument which would collect appropriate data on charges, collections, sliding fee user demand, sliding fee charges, bad debt and accounts receivable trends in rural community health centers by which to measure, by region, the impact of the declining rural economic conditions and to establish a reporting mechanism to predict trends. To prepare this survey, time was spent with key members of the Rural Task Force and consultants in statistical surveying for input and guidance in collecting valid information.

The survey included objective statistical financial questions as well as subjective questions of each Executive Director. The researchers were concerned how the perception of the CHC Directors compared to the actual data.

The assistance of the Bureau of Community Health Delivery and Assistance (BCHDA) was requested and received to

encourage centers to participate. Support from State and Regional Primary Care Associations was also solicited and received. This support is acknowledged and appreciated for improving our responses.

This survey was designed to provide baseline data for a continuing project. The long-range objective was to provide a source of data which will enable the Task Force to identify trends, potential problems, and opportunities at a much earlier date than they would otherwise be identified for the rural Community Health Centers.

Upon completion of the proposed draft for the survey instrument, Dr. Sam Cordes, Professor, University of Wyoming and Dr. W. Russell Wright, the Research and Education C. G. Coordinator, Clinical Medicine, Southern Illinois University School of Medicine, reviewed and assessed the survey instrument to determine if it would accomplish the research objectives. After that review and revision the instrument was submitted to the National Rural Health Association and the National Association of Community Health Centers for approval.

Twenty rural Community Health Centers were randomly selected and mailed a draft survey document for completion. Of those twenty surveys mailed, twelve Centers responded, one refused to fill out the document, and seven did not respond. Each test Center was questioned regarding completing the survey document. Upon receipt of the twelve test Centers' responses, the data was evaluated and determined to be valid. It was concluded that the survey would provide valid results and that the information requested could be provided by most centers.

One week later each of the rural Community Health Centers were telephoned to (1) to educate the centers as to the importance of this project, (2) answer any questions they may have about it, and, (3) to obtain their cooperation. By the middle of March 1988, Centers who had not responded were

mailed a second survey accompanied by a cover letter which again reinforced the urgency and importance of the survey. Those who had not responded by April 15th were telephoned again. April 30, 1988, was established as the last day that responses would be accepted. Any survey received after that date was not counted in the project.

One-hundred eighty-three (65%) surveys were returned and then reviewed for accuracy. All of the completed surveys were then delivered to Northwest Missouri State University, School of Business and Computer Science, Maryville, Missouri, to be entered into their VAX System. The department heads, along with graduate students, designed the process to tabulate and evaluate the results of the survey. Due to the complexity and the voluminous data associated with the survey it took ninety days longer than planned to complete the programs necessary for processing the information. NMSU delivered the compiled data analysis from the survey in early September 88. The interpretations and conclusions were completed and reported in October of 1988.

ANALYSIS OF SURVEY RESPONSES

The required analysis of the "Survey" was limited to answering nine essential questions. That analysis follows in Report 1. However, the survey provided much more extensive data with potential for providing trend analysis and appropriate management strategy for rural Community Health Centers. That will be addressed in phase two of the Project.

However, this analysis does include substantially more detail and interpretation than was requested. The data was much too complex and posed too many questions to confine our Report to the parameters of our contract.

Our analysis includes reports with graphs and interpretation where appropriate.

**SURVEY
DATA ANALYSIS**

REPORT 1:

SHIFTS IN MEAN

CHC SURVEY

CHC SURVEY	USA	REGION I	REGION II	REGION III	REGION IV	REGION V	REGION VI	REGION VII	REGION VIII	REGION IX	REGION X	CHC OVER 0,000 USER	CHC UNDER 0,000 USER
TOTAL CLINIC USERS:													
1987 MEAN	8,778.30	9,479.88	9,010.18	8,848.21	8,811.38	8,044.88	8,484.92	8,004.00	4,888.38	18,299.52	8,822.37	18,718.13	3,971.21
1988 MEAN	8,143.78	8,006.00	8,384.88	8,717.80	8,287.88	8,234.92	8,208.21	3,888.50	4,389.72	18,819.92	8,397.37	18,842.88	3,808.27
% CHANGE IN MEAN	7.77	18.41	7.72	14.48	8.87	8.84	18.22	38.88	11.11	-3.28	3.41	8.87	10.12
TOTAL MEDICAL USERS:													
1987 MEAN	7,008.25	9,120.33	8,285.88	8,717.21	8,899.13	7,488.41	8,800.28	8,004.00	3,229.38	14,088.92	8,141.37	12,873.88	3,878.03
1988 MEAN	6,369.25	7,774.83	7,511.18	4,889.88	8,318.52	8,828.18	8,831.87	3,882.80	3,182.83	12,280.84	8,822.87	11,892.88	3,881.84
% CHANGE IN MEAN	10.00	17.31	10.05	18.18	8.02	7.78	13.18	38.83	2.40	14.70	3.88	10.17	8.84
TOTAL DENTAL USERS:													
1987 MEAN	814.04	328.00	744.50	850.50	1,170.10	1,048.18	487.21	14.80	848.90	1,531.00	381.00	1,812.88	304.18
1988 MEAN	841.98	324.33	853.50	800.08	1,084.38	828.88	388.87	28.00	844.84	1,524.78	384.78	1,783.31	272.18
% CHANGE IN MEAN	8.58	1.13	-12.77	8.41	8.82	12.38	17.08	-44.23	88.34	0.41	-0.97	7.88	11.74
TOTAL PHARMACY USERS:													
1987 MEAN	889.50	0.00	0.00	125.50	1,188.88	122.08	1,728.38	0.00	835.84	3,514.81	0.00	2,304.50	45.48
1988 MEAN	885.41	0.00	0.00	108.43	888.18	0.00	1,828.42	0.00	822.27	2,821.48	0.00	1,801.88	28.42
% CHANGE IN MEAN	28.78	0.00	0.00	15.74	34.83	0.00	8.08	0.00	13.78	34.07	0.00	27.82	54.52
TOTAL OTHER USERS:													
1987 MEAN	505.58	31.33	0.00	89.88	171.81	404.88	1,314.92	0.00	80.00	3,832.88	0.00	1,224.85	70.35
1988 MEAN	572.03	29.18	0.00	35.78	141.38	388.38	1,087.48	0.00	22.72	5,345.07	0.00	1,405.77	65.83
% CHANGE IN MEAN	-11.82	7.44	0.00	84.78	21.85	2.08	24.38	0.00	288.13	-28.29	0.00	-12.88	8.87
BLINDING FEE USERS, ALL:													
1987 MEAN	4,310.58	640.00	1,480.25	1,882.21	5,541.37	3,117.43	7,732.23	1,504.00	3,087.80	8,874.88	4,880.87	8,583.50	1,659.24
1988 MEAN	3,837.28	594.40	801.80	1,387.88	5,073.83	2,414.13	7,008.25	1,280.78	2,847.00	8,572.88	4,438.37	7,835.23	1,417.00
% CHANGE IN MEAN	12.33	7.67	84.88	18.81	8.21	28.13	10.31	19.28	15.80	8.12	9.57	12.55	17.10
MEDICAL S/F USERS:													
1987 MEAN	3,078.08	514.50	1,778.00	1,481.81	3,828.48	2,280.08	5,135.48	1,724.88	1,459.11	4,107.00	4,481.37	5,781.31	1,435.29
1988 MEAN	2,752.88	418.50	850.88	1,283.53	3,849.83	1,882.78	4,789.78	1,487.88	1,408.33	3,188.41	4,071.12	5,221.83	1,209.58
% CHANGE IN MEAN	11.82	23.53	87.03	18.33	4.89	21.10	7.88	17.81	3.78	28.83	10.32	10.34	18.88
DENTAL S/F USERS:													
1987 MEAN	474.21	0.00	0.00	182.80	724.37	437.88	428.88	0.00	888.82	392.88	388.80	1,025.88	145.44
1988 MEAN	420.24	0.00	0.00	134.71	780.87	347.88	348.28	0.00	372.27	422.88	388.28	818.80	120.81
% CHANGE IN MEAN	12.84	0.00	0.00	38.88	3.38	28.87	22.74	0.00	78.88	-8.84	1.18	11.83	20.88
PHARMACY S/F USERS:													
1987 MEAN	818.44	0.00	0.00	11.28	850.01	122.08	1,381.82	0.00	800.10	1,787.30	0.00	1,552.18	43.21
1988 MEAN	445.51	0.00	0.00	8.87	858.33	0.00	1,289.80	0.00	424.00	1,318.07	0.00	1,145.82	22.81
% CHANGE IN MEAN	38.37	0.00	0.00	18.78	44.78	0.00	12.80	0.00	17.88	28.83	0.00	35.48	88.81
OTHER S/F USERS:													
1987 MEAN	253.39	0.00	0.00	4.54	102.14	384.88	1,038.92	0.00	84.00	1,183.88	0.00	883.95	45.88
1988 MEAN	198.04	0.00	0.00	2.28	84.31	222.47	780.84	0.00	23.70	1,151.18	0.00	458.00	42.23
% CHANGE IN MEAN	27.31	0.00	0.00	88.25	21.18	88.42	31.12	0.00	288.82	2.82	0.00	28.88	8.83

CHC SURVEY

CHC SURVEY	USA	REGION I	REGION II	REGION III	REGION IV	REGION V	REGION VI	REGION VII	REGION VIII	REGION IX	REGION X	CHC OVER 6,000 USER	CHC UNDER 6,000 USER
NEW A/P USERS													
1987 MEAN ALL	1,173.28	384.89	284.23	424.88	1,287.07	933.78	1,738.80	483.00	1,108.89	2,048.87	3,084.40	1,932.18	888.89
ROLLBACK BEFORE	880.14	292.89	281.89	818.10	882.78	288.80	278.23	220.00	81.80	888.80	1,880.72	882.28	482.44
% CHANGE IN MEAN	33.41	30.28	38.04	122.04	71.98	27.81	21.37	47.82	8.24	33.48	84.19	81.38	88.72
SLIDING FEE CHARGE-OFF													
1987 MEAN	281,881.87	87,882.82	74,712.18	84,410.28	423,380.81	198,488.28	434,331.84	88,818.28	188,870.27	384,880.88	280,728.80	881,781.48	118,180.82
1988 MEAN	283,828.28	48,887.00	28,428.00	88,888.48	377,827.40	191,388.00	288,888.14	83,888.78	184,218.81	338,888.88	278,872.28	804,478.04	181,187.22
% CHANGE IN MEAN	11.22	28.42	182.78	10.28	12.18	4.22	18.48	27.78	-3.72	14.87	-8.12	8.27	18.82
TOTAL GROSS CHARGES													
1987 MEAN	848,813.23	807,850.80	1,812,817.00	883,888.71	1,010,388.44	1,088,388.12	888,741.48	800,377.28	478,822.00	1,420,812.81	874,803.78	1,748,841.08	488,380.04
1988 MEAN	833,728.08	883,728.80	888,848.38	783,838.70	871,181.80	888,834.48	713,288.30	387,828.28	488,142.81	1,332,448.00	818,722.87	1,888,784.71	277,822.72
% CHANGE IN MEAN	13.41	18.18	18.04	13.04	15.88	11.78	28.82	28.22	-4.81	8.87	8.47	10.48	20.88
MEDICAL GROSS CHARGES													
1987 MEAN	728,488.82	882,528.00	808,720.00	881,178.30	728,833.08	813,887.80	723,781.81	482,821.78	388,112.84	802,828.82	831,882.18	1,288,237.72	488,827.82
1988 MEAN	827,178.00	731,408.00	708,841.20	588,382.20	834,884.12	788,814.88	884,887.88	323,382.80	348,212.27	782,384.88	817,181.82	1,184,180.20	328,828.74
% CHANGE IN MEAN	18.31	22.02	27.82	13.82	14.28	18.88	28.18	38.81	8.71	15.41	22.82	12.87	24.82
DENTAL GROSS CHARGES													
1987 MEAN	88,822.83	278.88	13,508.20	71,888.75	75,814.05	82,427.12	48,812.82	1,018.00	30,881.10	117,288.32	0.00	130,728.88	28,758.18
1988 MEAN	70,382.82	273.32	8,080.80	78,821.78	78,388.87	88,827.40	42,828.88	1,888.00	74,711.88	118,882.82	0.00	141,817.78	28,788.94
% CHANGE IN MEAN	-4.82	1.22	48.02	-5.70	-0.77	-3.88	13.18	-38.34	-88.82	1.81	0.00	-7.82	3.42
PHARMACY GROSS CHARGES													
1987 MEAN	38,783.40	0.00	0.00	28,185.08	88,328.78	0.00	44,782.28	42,718.80	42,812.82	81,288.00	0.00	88,288.88	8,887.11
1988 MEAN	38,807.73	0.00	0.00	28,271.08	88,888.72	0.00	48,318.14	87,882.80	37,877.88	48,311.41	0.00	88,824.70	8,888.72
% CHANGE IN MEAN	7.74	0.00	0.00	-8.91	14.22	0.00	-7.32	-28.17	13.31	8.18	0.00	8.88	-0.84
OTHER GROSS CHARGES													
1987 MEAN	40,732.82	0.00	0.00	81,738.87	20,187.87	3,788.00	82,728.71	4,822.00	41,888.81	188,888.72	0.00	182,388.12	3,782.42
1988 MEAN	33,873.34	0.00	1,818.82	80,188.21	17,882.88	8,178.47	88,848.84	8,228.22	28,141.00	143,312.81	0.00	84,331.27	3,888.82
% CHANGE IN MEAN	20.22	0.00	-188.00	38.88	12.18	-38.88	11.84	-11.78	18.22	17.80	0.00	21.38	4.30
TOTAL A/R													
1987 MEAN	18,207.84	188,882.22	148,348.00	288,478.71	178,242.18	228,748.88	148,828.21	82,488.80	114,887.18	278,822.87	147,848.72	288,811.88	81,882.87
1988 MEAN	177,882.81	188,817.80	208,888.20	188,488.12	188,812.22	288,878.88	187,788.42	71,388.28	183,378.38	381,830.48	117,348.80	342,722.84	78,818.12
% CHANGE IN MEAN	8.88	-7.84	-38.28	18.38	10.21	7.88	-18.78	18.48	18.77	-8.88	28.88	4.82	18.22
MEDICAL A/R													
1987 MEAN	142,815.21	175,822.88	147,822.80	188,888.82	118,784.88	288,888.22	123,874.38	78,382.88	78,381.80	184,138.88	118,783.20	284,830.18	82,788.88
1988 MEAN	124,281.21	212,892.00	281,411.88	138,227.82	82,148.82	184,881.42	148,882.38	44,318.00	81,218.78	281,848.22	80,888.80	231,882.00	78,488.32
% CHANGE IN MEAN	14.75	-17.48	-41.82	28.88	24.21	22.47	-11.88	78.82	24.78	-3.87	38.82	14.22	17.32

CHC SURVEY

CHC SURVEY	USA	REGION I	REGION II	REGION III	REGION IV	REGION V	REGION VI	REGION VII	REGION VIII	REGION IX	REGION X	CHC OVER 6,000 USER	CHC UNDER 6,000 USER
DENTAL A/R													
1987 MEAN	10,870.31	0.00	8,588.00	11,829.61	11,259.80	23,030.00	8,489.07	0.00	586.70	24,592.06	0.00	20,921.53	8,041.78
1986 MEAN	11,018.30	42.00	2,948.25	14,014.29	9,312.98	20,382.88	8,589.88	0.00	9,352.70	11,325.44	0.00	24,892.08	4,381.51
% CHANGE IN MEAN	-1.33	-100.00	88.88	-17.07	20.90	13.18	-1.17	0.00	-93.74	117.14	0.00	-14.93	38.57
PHARMACY A/R													
1987 MEAN	4,129.00	0.00	0.00	4,784.43	8,839.38	0.00	3,849.71	239.00	8,478.45	1,483.90	0.00	11,346.58	229.00
1986 MEAN	3,887.00	0.00	0.00	3,811.37	9,773.21	0.00	4,849.07	288.00	8,078.45	1,173.20	0.00	10,874.39	187.13
% CHANGE IN MEAN	6.25	0.00	0.00	28.82	9.84	0.00	-23.98	-10.18	27.53	28.45	0.00	6.30	45.74
OTHER A/R													
1987 MEAN	8,441.85	0.00	0.00	11,881.48	8,749.88	1,288.91	11,107.80	187.28	8,959.37	13,481.11	0.00	15,778.89	1,180.00
1986 MEAN	8,245.58	0.00	0.00	19,218.88	8,144.47	2,310.88	11,854.87	219.50	8,258.72	10,087.88	0.00	14,875.88	1,245.50
% CHANGES IN MEAN	3.14	0.00	0.00	13.08	-9.48	-43.78	-3.87	10.14	10.84	34.04	0.00	8.35	-5.25
TOTAL BAD DEBT													
1987 MEAN	35,884.45	25,256.93	28,289.33	22,313.18	38,032.11	28,984.70	82,988.42	4,882.50	12,779.00	101,878.15	34,507.75	71,347.88	18,229.84
1986 MEAN	28,155.72	18,333.33	29,807.88	18,288.08	27,408.23	20,087.91	30,048.23	7,482.50	10,288.27	118,095.18	35,325.12	88,778.82	13,784.88
% CHANGE IN MEAN	23.08	54.83	-19.87	38.93	27.83	29.45	109.83	-34.83	24.57	-12.42	-2.31	28.48	10.77
MEDICAL BAD DEBT													
1987 MEAN	25,763.41	27,999.66	17,111.00	18,286.32	24,305.44	21,338.58	55,233.00	6,158.66	7,879.80	74,630.44	18,011.50	49,233.30	14,144.65
1986 MEAN	20,152.92	14,130.66	27,741.50	10,181.29	21,805.38	17,177.43	18,540.50	5,888.86	3,900.80	79,454.88	15,316.20	37,415.50	11,948.93
% CHANGE IN MEAN	27.84	98.14	-38.32	89.67	11.47	24.23	197.90	8.04	102.02	-6.07	4.54	31.59	18.38
DENTAL BAD DEBT													
1987 MEAN	2,391.72	0.00	920.25	2,808.20	2,288.44	4,150.39	2,459.50	0.00	117.80	3,492.22	0.00	5,597.16	838.60
1986 MEAN	2,082.97	0.00	338.50	1,854.03	2,191.85	3,355.39	2,201.84	0.00	381.30	3,587.70	0.00	4,550.22	885.99
% CHANGE IN MEAN	14.82	0.00	173.48	43.61	3.41	23.89	11.68	0.00	-87.40	-2.12	0.00	23.01	-5.57
PHARMACY BAD DEBT													
1987 MEAN	780.05	0.00	0.00	113.28	1,471.88	0.00	1,828.81	0.00	1,018.81	241.80	0.00	2,172.50	9.28
1986 MEAN	584.37	0.00	0.00	117.18	1,128.23	0.00	1,818.78	0.00	182.45	213.00	0.00	1,899.08	19.17
% CHANGE IN MEAN	34.87	0.00	0.00	-3.34	29.30	0.00	29.84	0.00	458.41	-22.75	0.00	38.83	-51.89
OTHER BAD DEBT													
1987 MEAN	1,508.48	0.00	0.00	1,789.83	895.44	2,052.88	6,188.85	0.00	1,121.00	1,828.33	0.00	3,880.48	289.89
1986 MEAN	980.58	0.00	0.00	2,391.81	876.11	41.88	2,888.85	0.00	233.18	1,513.80	0.00	2,280.04	192.88
% CHANGE IN MEAN	56.83	0.00	0.00	-25.18	88.43	4,827.17	93.37	0.00	388.74	20.87	0.00	67.83	55.43
WORKING DAYS/YEAR													
1987 MEAN	253.00	270.00	287.18	248.00	248.83	258.85	241.14	254.50	253.18	270.18	258.12	281.52	247.78
1986 MEAN	247.78	270.33	244.83	239.48	247.92	257.00	217.94	284.20	249.72	268.16	251.75	280.83	239.84
% CHANGE IN MEAN	2.11	-0.12	17.29	2.30	0.25	0.84	10.80	0.00	1.39	0.75	1.74	0.26	3.39
TOTAL PATIENT COLLECTIONS													
1987 MEAN	464,289.95	657,787.00	838,588.83	532,749.70	375,877.31	847,382.50	287,450.07	359,342.00	232,888.90	779,130.81	289,718.12	818,775.81	247,149.84
1986 MEAN	415,155.32	585,429.33	573,031.83	482,088.48	348,020.93	847,858.91	220,884.21	278,833.50	208,888.18	728,719.30	242,889.82	738,353.97	219,025.73
% CHANGE IN MEAN	11.84	18.33	11.09	10.51	7.95	18.21	21.28	28.80	11.45	7.07	18.28	10.92	12.84

C-SURVEY

CNC SURVEY	USA	REGION I	REGION II	REGION III	REGION IV	REGION V	REGION VI	REGION VII	REGION VIII	REGION IX	REGION X	CNC OVER	CNC UNDER
												0.000 USER	0.000 USER
MEDICAL PT. COLLECTIONS													
1987 MEAN	354,788.87	734,302.25	488,702.40	372,182.18	252,888.84	889,620.22	248,768.88	281,712.00	184,371.20	485,382.10	288,619.40	805,778.81	223,217.88
1988 MEAN	290,389.84	613,254.88	418,228.40	328,482.00	208,788.70	802,639.00	204,624.78	171,813.50	188,001.80	327,641.80	143,128.33	624,233.80	188,889.37
% CHANGE IN MEAN	22.19	18.74	17.88	12.88	21.60	18.88	20.88	68.88	23.02	34.91	87.81	15.88	34.02
DENTAL PT. COLLECTIONS													
1987 MEAN	21,040.74	171.23	8,281.20	41,182.08	20,871.44	81,273.48	18,324.23	0.00	408.20	21,001.00	0.00	55,850.94	18,011.81
1988 MEAN	28,339.87	248.88	8,179.00	38,878.28	21,801.32	81,289.00	13,028.30	0.00	8,083.80	24,223.70	0.00	48,827.44	12,084.88
% CHANGE IN MEAN	22.80	-30.84	-23.20	8.93	42.08	18.47	17.84	0.00	-82.27	27.88	0.00	11.44	48.87
PHARMACY PT. COLLECTIONS													
1987 MEAN	17,127.10	0.00	0.00	27,048.84	28,788.87	1,448.28	8,883.28	0.00	11,888.80	25,703.83	0.00	44,482.85	1,078.70
1988 MEAN	14,087.88	0.00	0.00	28,222.18	20,877.81	0.00	4,888.87	0.00	7,484.84	18,028.08	0.00	37,245.48	824.47
% CHANGE IN MEAN	21.88	0.00	0.00	3.18	28.14	0.00	21.48	0.00	82.78	80.28	0.00	18.38	30.80
OTHER PT. COLLECTIONS													
1987 MEAN	18,808.17	0.00	42,088.28	42,088.28	8,888.81	1,828.21	14,812.28	0.00	11,788.84	27,838.00	20,820.87	24,920.14	8,408.88
1988 MEAN	13,181.23	0.00	38,388.88	38,388.88	8,088.88	8,028.82	11,723.87	0.00	18,823.84	13,041.38	0.00	31,081.48	2,888.88
% CHANGE IN MEAN	28.83	0.00	-28.82	0.00	23.18	-24.88	23.78	0.00	-27.78	111.17	0.00	8.48	120.88

**SURVEY
DATA ANALYSIS**

REPORT 2:

PERCENTAGE SHIFTS

CHC SURVEY

CHC SURVEY	USA	REGION I	REGION II	REGION III	REGION IV	REGION V	REGION VI	REGION VII	REGION VIII	REGION IX	REGION X	CHC COVER \$,000 USER	CHC UNDER \$,000 USER
% CLINIC USERS IN S/F													
1987 TOTAL	49.12	9.75	18.43	25.40	82.89	34.47	81.78	30.09	93.18	38.11	74.53	81.41	41.78
1988 TOTAL	47.12	7.42	9.99	24.45	81.37	29.32	88.41	34.18	80.88	34.78	70.34	48.82	39.29
% POINT SHIFT	2.00	0.87	9.85	0.85	1.82	5.15	-3.82	-4.18	2.81	3.37	4.19	2.59	2.49
% SHIFT	4.24	-9.07	71.45	3.87	2.48	17.87	-4.28	-12.07	4.31	9.70	5.98	5.31	8.33
% MEDICAL USERS IN S/F													
1987 TOTAL	43.23	5.84	21.81	28.08	87.18	30.83	77.81	34.47	45.18	29.18	73.13	45.48	40.14
1988 TOTAL	43.22	5.38	12.88	28.08	87.78	27.17	81.85	40.07	44.59	25.80	88.74	45.39	37.08
% POINT SHIFT	0.72	0.28	8.88	0.03	-0.81	3.38	-3.81	-8.81	0.59	3.38	4.39	0.07	3.05
% SHIFT	1.88	5.31	89.88	0.13	-1.08	12.38	-4.87	-13.88	1.32	13.01	6.39	0.15	8.23
% DENTAL USERS IN S/F													
1987 TOTAL	51.88	0.00	0.00	28.07	81.81	41.74	93.78	0.00	79.04	25.71	98.98	53.83	47.82
1988 TOTAL	49.91	0.00	0.00	22.45	84.04	37.59	89.43	0.00	88.35	27.71	94.93	51.88	44.27
% POINT SHIFT	1.97	0.00	0.00	5.82	-2.14	4.15	4.22	0.00	10.88	-2.00	2.05	2.05	3.54
% SHIFT	3.94	0.00	0.00	25.04	-3.34	11.04	4.88	0.00	15.58	-7.22	2.18	3.88	8.01
% PHARMACY USERS IN S/F													
1987 TOTAL	89.38	0.00	0.00	9.00	81.28	100.00	78.84		83.48	48.58	0.00	87.35	95.05
1988 TOTAL	85.08	0.00	0.00	8.82	75.80		74.37		81.58	50.28	0.00	83.59	77.87
% POINT SHIFT	4.30	0.00	0.00	0.00	5.88		4.87		1.89	-1.70	0.00	3.78	17.18
% SHIFT	8.82	0.00	0.00	0.87	7.81		8.15		3.87	-3.39	0.00	5.82	22.06
% OTHER USERS IN S/F													
1987 TOTAL	50.12	0.00		8.52	59.45	87.84	78.88		104.44	30.88		48.50	65.33
1988 TOTAL	34.80	0.00		8.40	89.85	88.12	74.78		104.31	21.54		32.58	64.15
% POINT SHIFT	15.32	0.00		0.12	-0.20	21.82	4.07		0.13	9.35		15.92	1.18
% SHIFT	44.04	0.00		1.80	-0.33	88.18	5.44		0.13	43.40		48.86	1.84
GROSS CHARGES/SLIDING FEE													
1987 TOTAL	28.78	7.12	7.38	10.93	41.91	18.87	80.52	13.71	39.71	27.11	37.18	31.59	25.89
1988 TOTAL	30.37	6.71	3.48	11.14	43.34	20.02	81.38	13.87	39.22	25.22	44.25	31.91	28.79
% POINT SHIFT	-0.58	0.41	3.82	-0.21	-1.43	-1.38	-0.87	-0.18	0.49	1.89	-7.09	-0.32	-0.89
% SHIFT	-1.92	8.18	113.20	-1.88	-3.30	-8.74	-1.70	-1.11	1.24	7.81	-18.02	-1.01	-3.33
GROSS CHARGES/ADJ. S.F.													
1987 TOTAL	27.08	0.01	0.00	4.55	1.81	4.48	1.88	0.00	3.88	2.91	2.88	2.78	2.88
1988 TOTAL	28.02	0.01	0.00	2.88	1.83	3.27	1.08	0.00	3.47	2.87	3.41	2.07	2.88
% POINT SHIFT	-1.02	0.00	0.00	1.97	0.18	1.21	0.89	0.00	0.39	-0.08	-0.43	0.69	-0.11
% SHIFT	-3.85	11.88	0.00	82.47	11.28	37.00	84.31	0.00	11.28	-1.88	-12.73	33.31	-3.88
% GROSS CHARGED IN REC.													
1987 TOTAL	20.12	19.32	14.18	23.22	17.34	21.13	18.38	18.47	24.32	28.73	21.91	20.41	20.07
1988 TOTAL	21.35	24.79	24.17	22.18	18.25	21.84	22.12	18.43	20.88	28.86	19.03	21.88	20.87
% POINT SHIFT	-1.23	-5.47	-10.02	1.03	-0.91	-0.80	-8.74	-1.98	3.44	-1.92	2.88	-1.27	-0.80
% SHIFT	-5.78	-22.08	-41.43	4.88	-4.88	-3.87	-25.88	-10.88	18.48	-8.71	15.14	-5.85	-3.83

CHC SURVEY

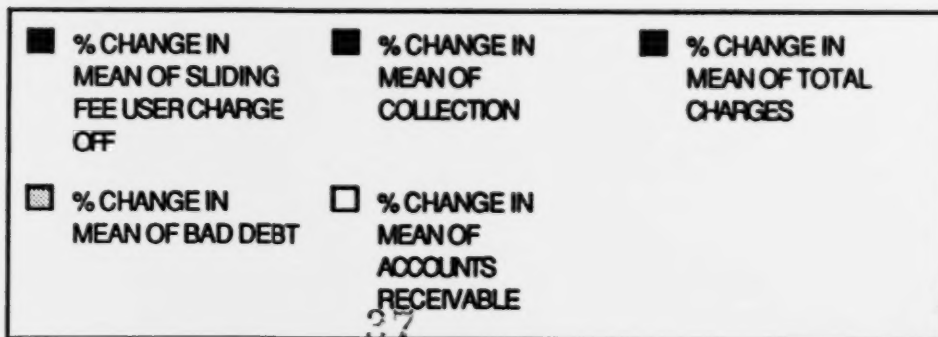
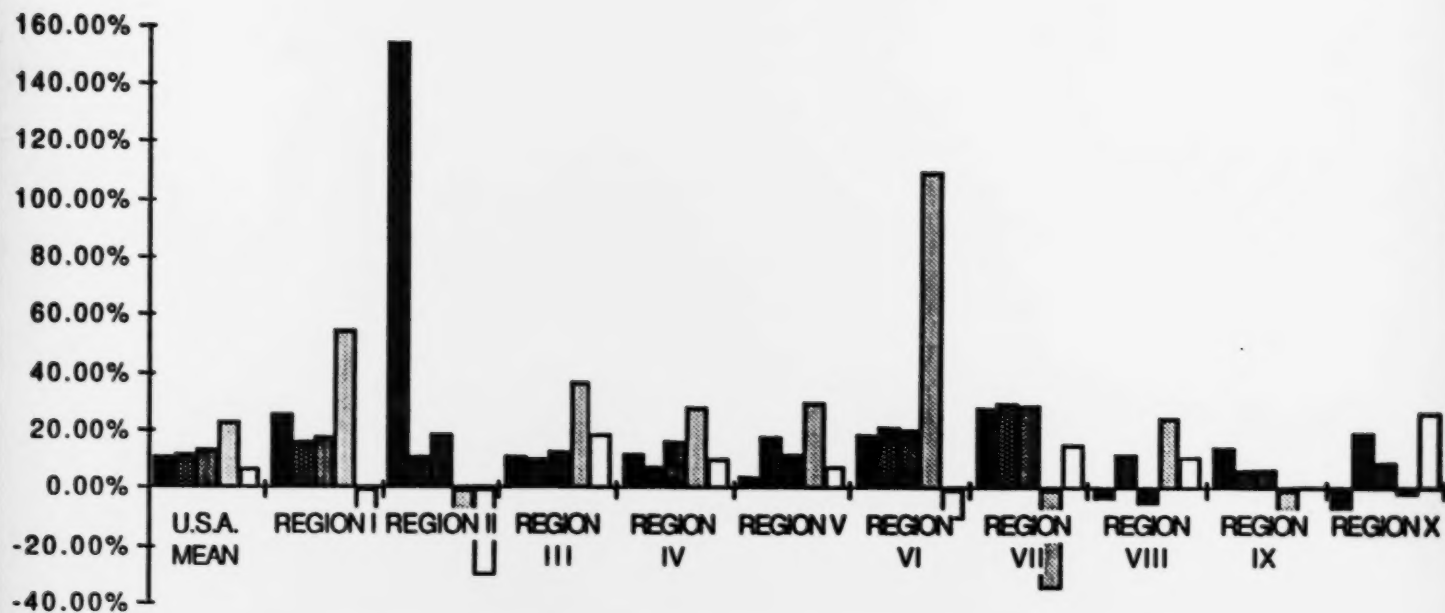
CHC SURVEY	USA	REGION I	REGION II	REGION III	REGION IV	REGION V	REGION VI	REGION VII	REGION VIII	REGION IX	REGION X	CHC OVER 6,000 USER	CHC UNDER 6,000 USER
% MEDICAL CHARGES IN REC.													
1987 TOTAL	19.55	19.81	18.21	24.94	18.95	22.29	17.13	17.34	20.75	21.50	18.81	20.38	20.32
1988 TOTAL	19.82	29.00	35.47	22.80	14.97	20.89	24.89	13.71	17.98	25.81	17.87	20.09	21.82
% POINT SHIFT	-0.27	-9.39	-18.25	2.34	1.28	1.40	-7.76	3.63	3.17	-4.31	1.24	0.20	-1.30
% SHIFT	-1.34	-32.38	-84.28	10.33	8.89	8.72	-31.18	28.48	18.04	-18.70	7.08	1.47	-8.00
% DENTAL CHARGES IN REC.													
1987 TOTAL	18.24	0.00	41.23	18.23	14.85	27.80	17.11	0.00	1.91	20.97		18.00	20.30
1988 TOTAL	18.95	15.37	32.54	18.43	12.19	23.82	19.90	0.00	12.52	9.84		17.24	18.18
% POINT SHIFT	0.69	-15.37	8.99	-2.21	2.68	4.09	-2.48	0.00	-10.81	11.13		-1.24	5.14
% SHIFT	3.78	-100.00	28.89	-12.00	21.83	17.37	-12.88	0.00	-84.78	113.08		-7.71	22.83
% PHARMACY CHGS IN REC.													
1987 TOTAL	10.39			16.44	10.30		7.93	0.54	15.42	2.89		11.79	3.82
1988 TOTAL	10.52			12.88	11.88		9.82	0.43	13.70	2.43		12.08	2.81
% POINT SHIFT	-0.15			3.48	-1.37		-1.88	0.09	1.72	0.48		-0.89	1.81
% SHIFT	-1.38			28.89	-11.72		-17.88	20.09	12.88	18.12		-2.18	48.82
% OTHER CHARGES IN REC.													
1987 TOTAL	15.81			14.87	28.81	24.48	17.71	4.27	18.81	7.98		15.81	21.44
1988 TOTAL	18.44			17.18	34.17	37.41	20.82	4.18	17.92	7.02		17.78	34.81
% POINT SHIFT	-2.62			-2.88	-8.88	-8.88	-2.91	0.08	-1.30	0.98		-2.28	-3.17
% SHIFT	-14.23			-18.79	-18.88	-7.88	-14.12	1.82	-7.28	13.88		-13.81	-9.18
% GROSS CHGS IN BAD DEBT													
1987 TOTAL	3.80	3.13	2.80	2.88	3.47	2.43	7.33	0.88	2.71	7.18	8.11	4.08	3.24
1988 TOTAL	3.50	2.39	3.47	2.13	3.18	2.10	4.21	1.93	2.07	8.71	8.73	3.59	3.84
% POINT SHIFT	0.30	0.74	-0.87	0.49	0.32	0.32	3.11	-0.88	0.84	-1.88	-0.81	0.48	-0.21
% SHIFT	8.53	30.89	-28.13	21.14	10.22	18.82	72.82	-48.82	31.81	-17.82	-18.72	13.82	-8.38
% MED. CHGS IN BAD DEBT													
1987 TOTAL	3.52	3.18	1.89	2.38	3.38	2.34	7.83	1.38	2.14	8.27	2.84	3.78	3.48
1988 TOTAL	3.21	1.93	3.91	1.70	3.43	2.17	3.28	1.78	1.18	10.18	2.98	3.24	3.88
% POINT SHIFT	0.32	1.21	-2.93	0.88	-0.98	0.18	4.38	-0.40	1.02	-1.88	-0.42	0.88	-0.18
% SHIFT	8.92	82.37	-81.78	40.88	-2.48	7.38	132.48	-22.73	81.88	-18.81	-14.33	18.80	-8.18
% DENTAL CHGS IN BAD DEBT													
1987 TOTAL	3.57	0.00	8.81	3.91	2.98	4.87	4.88	0.00	0.38	2.88		4.28	2.81
1988 TOTAL	2.98	0.00	3.71	2.87	2.97	3.88	8.02	0.90	0.48	3.10		3.21	3.08
% POINT SHIFT	0.81	0.00	3.10	1.34	0.12	1.18	-0.87	0.98	-0.18	-0.12		1.07	-0.27
% SHIFT	20.78	0.00	83.48	82.88	4.21	28.30	-1.38	0.00	-20.80	-3.98		33.45	-8.70
% OTHER CHGS IN BAD DEBT													
1987 TOTAL	1.91			0.38	2.22		4.88	0.00	2.43	0.47		2.28	0.15
1988 TOTAL	1.53			0.40	1.98		3.14	0.00	0.49	0.85		1.80	0.32
% POINT SHIFT	0.38			-0.01	0.28		0.98	0.00	1.82	-0.18		0.48	-0.18
% SHIFT	25.00			-2.48	13.18		30.21	0.00	382.81	-27.23		25.72	-51.33

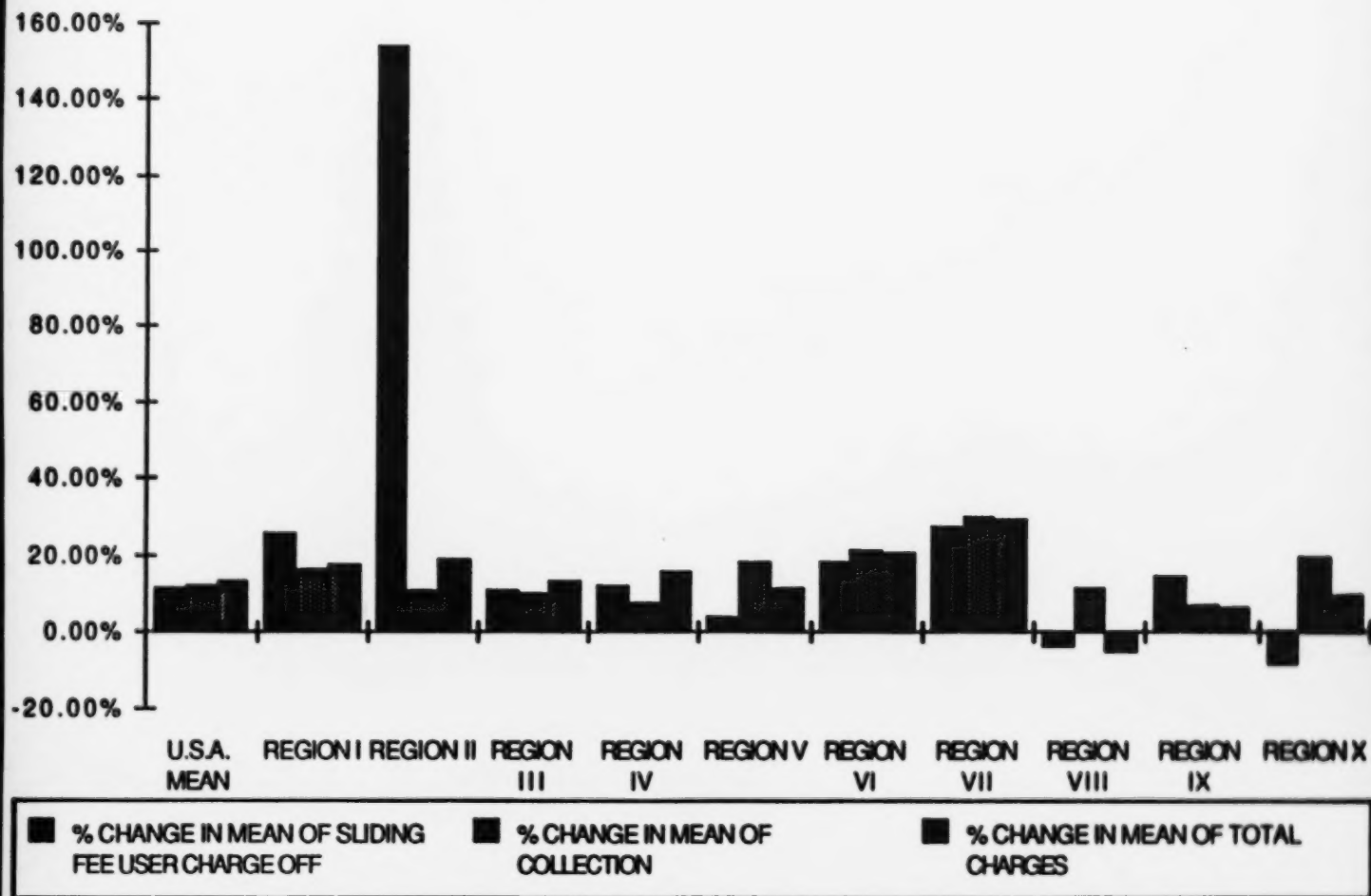
CHC SURVEY

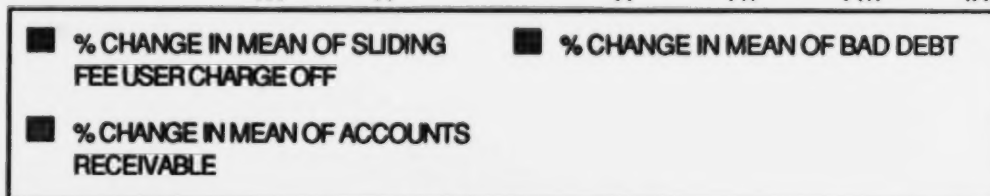
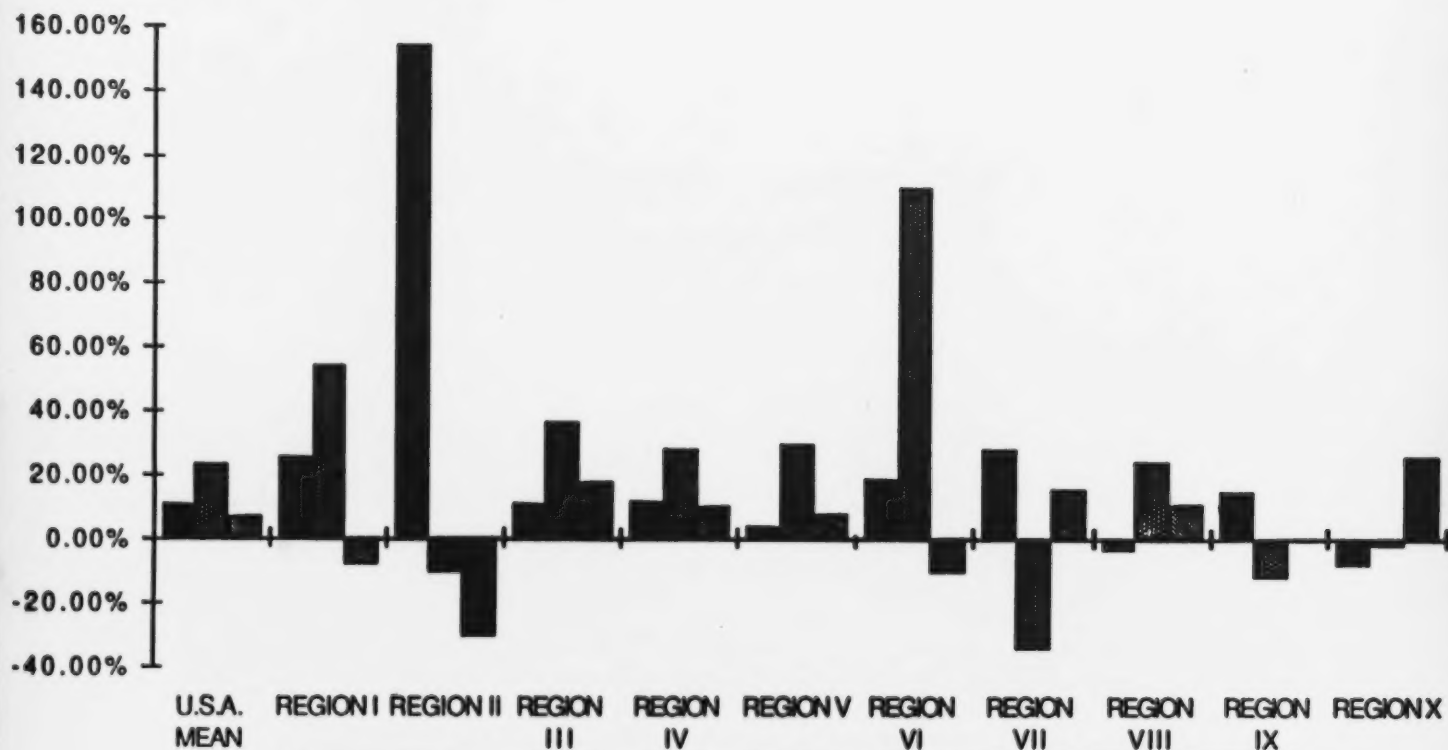
CHC SURVEY	USA	REGION I	REGION II	REGION III	REGION IV	REGION V	REGION VI	REGION VII	REGION VIII	REGION IX	REGION X	CHC OVER 8,000 USER	CHC UNDER 8,000 USER
WORKING DAYS IN REC.													
1987 TOTAL	50.90	52.18	40.85	58.88	43.11	54.85	39.50	41.91	51.58	72.22	55.11	53.38	49.75
1988 TOTAL	52.89	57.02	59.19	52.12	45.25	58.38	48.18	48.91	52.14	78.94	47.90	59.55	50.02
% POINT SHIFT	-1.99	-14.89	-18.53	3.75	-2.15	-1.72	-8.98	-4.99	9.44	-4.92	8.21	-3.17	-0.29
% SHIFT	-3.77	-22.18	-31.31	7.07	-4.74	-3.05	-17.98	-10.85	18.10	-6.01	17.14	-9.61	-0.99
%GROSS CHGS COLLECTED													
1987 TOTAL	49.11	51.42	52.97	51.99	37.18	50.90	31.11	71.81	49.48	54.90	42.93	48.77	54.15
1988 TOTAL	49.79	52.70	57.37	53.11	39.95	57.30	39.92	71.44	42.20	54.54	39.38	48.88	58.00
% POINT SHIFT	-0.68	-1.28	-4.50	-1.11	-2.77	3.30	0.19	0.37	7.28	0.28	3.55	0.18	-3.85
% SHIFT	-1.38	-1.54	-8.89	-2.24	-9.93	5.78	0.90	0.52	17.20	0.47	9.01	0.39	-6.93
%MED CHGS COLLECTED													
1987 TOTAL	48.64	52.27	53.90	54.62	34.98	55.91	34.10	54.93	52.80	50.43	42.55	48.63	54.85
1988 TOTAL	49.30	53.89	59.59	55.98	32.88	53.75	38.22	53.05	48.37	43.14	27.88	45.42	51.09
% POINT SHIFT	2.34	-1.57	-4.69	-0.43	2.11	1.97	-2.12	11.49	7.43	7.29	14.88	1.21	3.77
% SHIFT	5.09	-1.99	-7.99	-0.76	9.41	2.92	-9.89	21.89	19.37	19.90	53.75	2.65	7.37
%DENTAL CHGS COLLECTED													
1987 TOTAL	48.38	51.93	48.51	57.49	40.85	73.45	30.69	0.00	1.33	26.44		42.57	60.53
1988 TOTAL	38.09	50.24	50.27	51.14	28.54	59.27	29.72	0.00	8.14	21.05		35.21	42.04
% POINT SHIFT	10.38	-28.31	-43.76	8.31	12.32	14.18	1.17	0.00	-6.81	5.38		7.36	18.49
% SHIFT	28.83	-31.38	-48.48	12.33	43.16	23.92	3.94	0.00	-83.62	25.57		20.90	43.99
%PHARMACY CHGS COLLECT.													
1987 TOTAL	43.07			52.94	38.82		13.38	0.00	27.11	50.12		48.22	17.95
1988 TOTAL	38.17			59.28	35.44		9.44	0.00	20.11	33.19		42.07	13.67
% POINT SHIFT	4.90			3.68	3.38		3.95	0.00	7.00	16.93		4.14	4.28
% SHIFT	12.84			4.10	9.55		41.98	0.00	34.93	50.99		9.84	31.31
%OTHER CHGS COLLECTED													
1987 TOTAL	40.53			51.50	48.35	40.81	23.12	0.00	28.07	19.30		33.24	170.70
1988 TOTAL	39.82		100.00	55.48	44.88	32.01	20.85	0.00	48.34	9.10		38.87	80.58
% POINT SHIFT	1.71			-13.98	4.43	7.80	2.21	0.00	-19.27	7.20		-3.82	90.12
% SHIFT	4.39			-21.58	9.84	23.64	10.89	0.00	-38.42	79.10		-9.82	111.84

**SURVEY
DATA ANALYSIS**

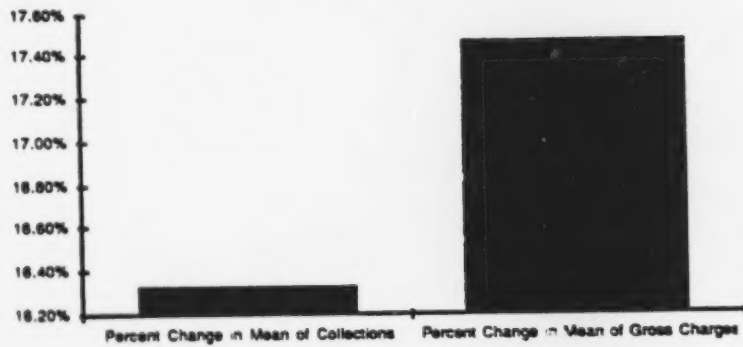
GRAPHS FOR REPORT 1 & 2



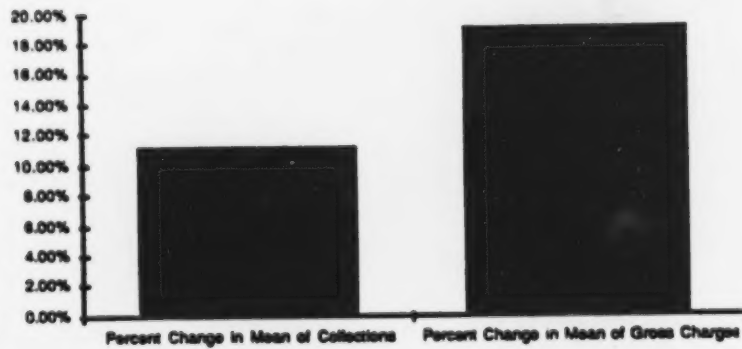




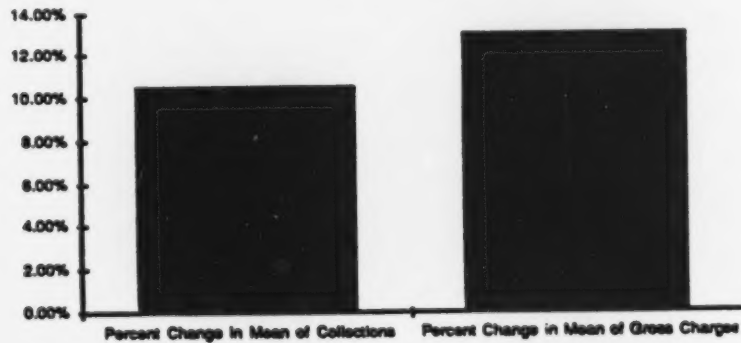
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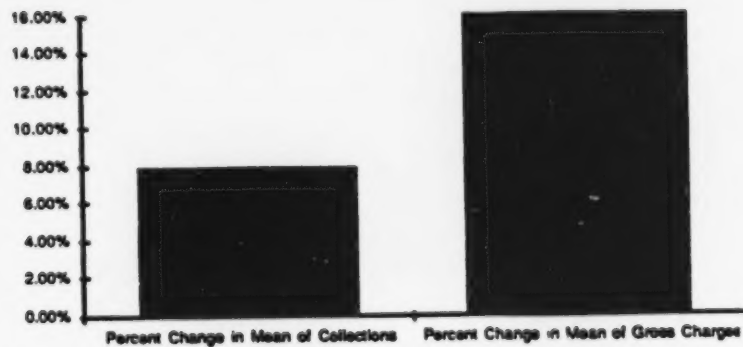
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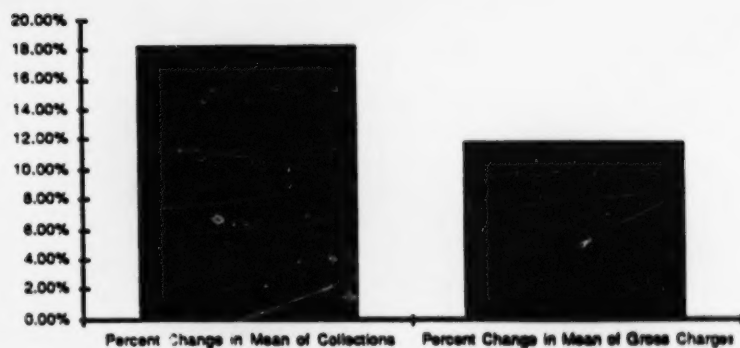
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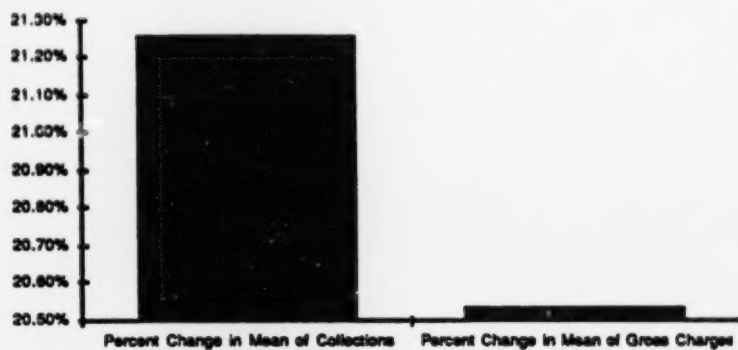
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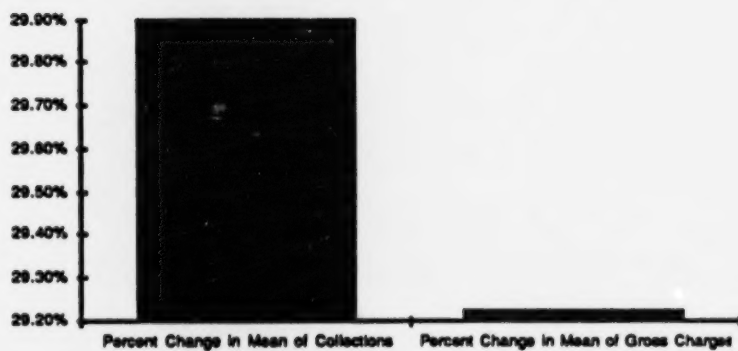
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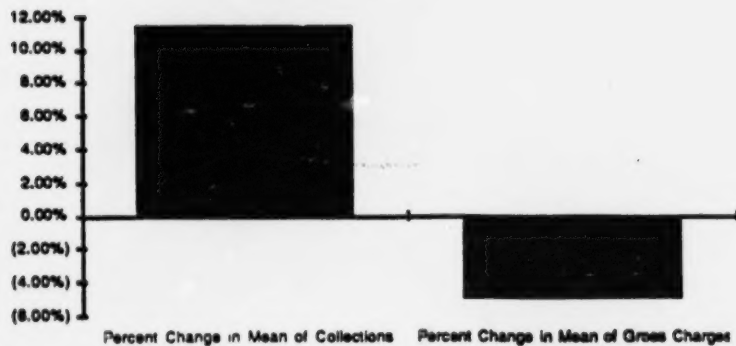
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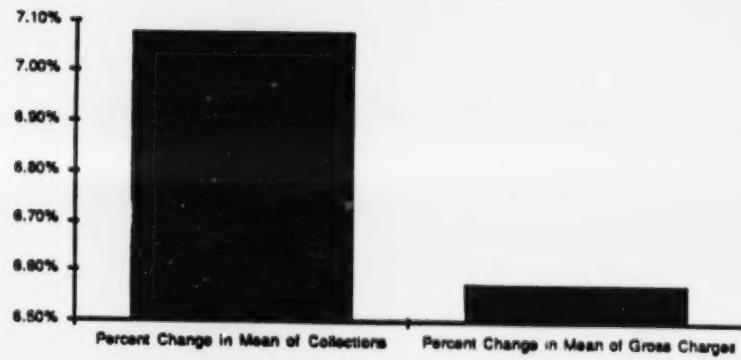
REGION VII



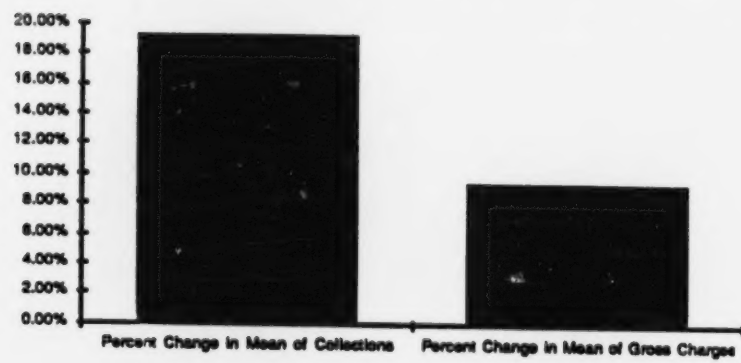
REGION VIII



REGION IX



REGION X



**SURVEY
DATA ANALYSIS**

REPORT 3:

***GROSS CHARGES, COLLECTIONS, SLIDING FEE AND
ACCOUNTS RECEIVABLE SHIFTS***

INTERPRETATION

Sliding fee users throughout the United States have increased 12.33% - smaller clinics experienced a 17.1% increase and larger clinics experienced a 12.55% increase, while total clinic users increased 7.77%. The number of sliding fee users is increasing at a rate of 12.33% while sliding fee dollars have only increased 11.23% during a period when 42.1% of the CHCs indicated they had made major changes restricting sliding fee scale and/or its application. This implies that sliding fee is being made available to more people, but the benefit per person is declining because of increased minimum fees, stricter documentation, proof of income, etc.

A large portion, 55.41%, of the new sliding fee users in 1987 came from existing users. This implies the users' economic circumstances have deteriorated to the point that they felt it was necessary to take advantage of the sliding fee system offered at those facilities. Smaller clinics had an even more serious problem with 66% of their new sliding fee users coming from existing users.

Total accounts receivable increased 6.88% while medical accounts/receivable increased 14.75%. Total accounts receivable increased (6.88%) at one-half the rate of gross charges (13.41%) while medical accounts receivable increased (14.75%) at a slightly higher rate than total accounts receivable. This supports CHCs' claims of a reduction in non-medical services based on the fact that medical accounts receivable increased at twice the rate (14.75%) of total accounts receivable (6.88%). Bad debt increased dramatically at 23.08% while accounts receivable increases were less dramatic at only 6.88% although gross charges increased by 13.41%. The survey suggests this is a result of CHCs extraordinary efforts in collections in 1987 necessitated by decreasing collections in 1986. As accounts receivable policies and

procedures were aggressively enforced to improve collections more accounts were declared bad debt. Bad debt increased 23.08% with a 25.48% increase for large centers and a 10.72% increase for small centers.

Large clinics have been more aggressively collecting their accounts receivable shown by the data in which their a/r grew at a much slower rate (4.02%) than did the smaller clinics' rate of 16.22%. A comparison of bad debt data also supports this conclusion. The large CHCs' accounts receivable are increasing modestly (4.02%) while bad debt has sky-rocketed at a 25.48% increase. In the smaller CHCs the reverse is true - accounts receivable are increasing dramatically (16.22%) and bad debt is not (10.72%). Clearly patient collections are growing at a much slower rate than the overall clinic growth which is a prediction of a future cash deficit if left uncorrected.

The implication is that if the amount of sliding fee continues to grow, sliding fee users continue to grow, and bad debt continues to grow, there must be a source of funds to compensate for this growth. Decreasing the growth rate of accounts receivable helps the immediate problem, however, this cannot be a reoccurring source of payment and is not a solution to the overall problem. This disproportionate growth of sliding fee users as compared to the growth of clinic users clearly shows the need for the continued support of Public Health Service funds that enable rural Community Health Centers to deliver primary care services to this growing segment of the rural population.

**SURVEY
DATA ANALYSIS**

REPORT 4:

BCRR & SURVEY DATA - COMBINED

***SHOWS CHANGES IN VARIABLES WHICH CONTROL
CASH FLOW AND NET CASH POSITION***

BCFR & SURVEY DATA-COMBINED

IN DOLLARS	REGION I TOTAL	REGION I PER USER	REGION II TOTAL	REGION II PER USER	REGION III TOTAL	REGION III PER USER	REGION IV TOTAL	REGION IV PER USER	REGION V TOTAL	REGION V PER USER
GROSS CHARGES										
1987 TOTAL	4,847,103.00	85.21	6,075,102.00	112.37	27,833,815.00	131.93	65,673,169.00	114.66	25,638,435.00	118.11
1986 TOTAL	4,102,383.00	85.40	5,103,278.00	101.68	24,445,943.00	133.61	56,624,878.00	105.36	22,940,027.00	116.07
CHANGE FROM 86	744,720.00	-0.19	971,824.00	10.69	3,187,872.00	-1.68	9,048,291.00	9.30	2,698,408.00	2.04
COLLECTIONS										
1987 TOTAL	3,946,602.00	69.38	3,819,566.00	70.65	18,515,240.00	78.85	24,043,348.00	41.97	15,536,700.00	71.57
1986 TOTAL	3,392,576.00	70.62	3,438,191.00	68.50	15,426,831.00	84.31	22,273,340.00	41.44	13,143,814.00	66.50
CHANGE FROM 86	554,026.00	-1.24	381,342.00	2.15	1,088,409.00	-5.46	1,770,008.00	0.53	2,392,886.00	-5.07
GRANT REVENUES										
1987 TOTAL	4,003,323.00	39.07	18,643,805.00	41.66	19,781,605.00	59.44	69,662,150.00	93.48	20,167,515.00	75.94
1986 TOTAL	4,465,882.00	48.23	12,682,668.00	31.42	17,697,177.00	55.84	64,574,572.00	91.28	19,136,299.00	78.73
CHANGE FROM 86	-462,359.00	-9.16	5,961,137.00	10.24	20,084,428.00	3.60	5,087,578.00	2.20	1,031,216.00	-2.79
ACCOUNTS REC.										
1987 TOTAL	936,380.00	18.48	573,380.00	10.60	6,415,351.00	30.62	11,215,564.00	19.58	5,417,894.00	24.95
1986 TOTAL	1,017,105.00	21.17	1,027,996.00	20.48	5,422,884.00	29.63	10,176,847.00	18.93	5,032,240.00	25.46
CHANGE FROM 86	-80,725.00	-4.17	-454,616.00	-9.88	992,467.00	0.99	1,038,717.00	0.65	385,654.00	-0.51
SLIDING FEE EXP.										
1987 TOTAL	345,323.00	6.07	448,273.00	8.29	3,021,129.00	14.42	27,520,390.00	48.05	4,788,928.00	22.05
1986 TOTAL	275,304.00	5.73	176,628.00	3.51	2,722,863.00	14.88	24,539,279.00	45.66	4,592,544.00	23.23
CHANGE FROM 86	70,019.00	0.34	271,645.00	4.78	298,266.00	-0.46	2,981,111.00	2.39	194,382.00	-1.18
BAD DEBT										
1987 TOTAL	151,541.00	2.66	157,796.00	2.91	714,021.00	3.40	2,137,020.00	3.72	623,153.00	2.87
1986 TOTAL	98,000.00	2.04	177,046.00	3.52	521,443.00	2.85	1,644,374.00	3.05	481,390.00	2.43
CHANGE FROM 86	53,541.00	0.62	-19,250.00	-0.61	192,578.00	0.55	492,646.00	0.67	141,763.00	0.44
EXPENSES										
1987 TOTAL	13,727,768.00	134.00	46,983,910.00	105.00	50,580,280.00	152.00	115,505,252.00	155.00	39,566,208.00	149.00
1986 TOTAL	11,943,985.00	129.00	37,134,015.00	92.00	46,271,171.00	146.00	99,745,852.00	141.00	36,698,851.00	151.00
CHANGE FROM 86	1,783,783.00	5.00	9,849,895.00	13.00	4,309,109.00	6.00	15,759,400.00	14.00	2,867,357.00	-2.00
USE-ITS	SURVEYED	ACTUAL	SURVEYED	ACTUAL	SURVEYED	ACTUAL	SURVEYED	ACTUAL	SURVEYED	ACTUAL
1987 TOTAL	56,878	102,446	54,061	447,465	209,447	332,765	572,740	745,195	217,070	265,545
1986 TOTAL	48,036	92,589	50,188	403,630	182,960	316,925	537,411	707,417	197,631	243,038
CHANGE FROM 86	8,842	9,857	3,873	43,835	26,487	15,840	5,329	37,778	19,439	22,507

BCFR & SURVEY DATA COMBINED

IN DOLLARS	REGION VI TOTAL	REGION VI PER USER	REGION VII TOTAL	REGION VII PER USER	REGION VIII TOTAL	REGION VIII PER USER	REGION IX TOTAL	REGION IX PER USER	REGION X TOTAL	REGION X PER USER
GROSS WAGES										
1987 TOTAL	11,175,639.00	84.43	2,001,509.00	99.99	5,179,042.00	98.96	18,460,164.00	77.59	5,399,430.00	103.45
1986 TOTAL	9,272,748.00	80.71	1,548,881.00	104.98	5,446,582.00	113.31	17,321,824.00	70.43	4,933,789.00	97.77
CHANGE FROM 86	1,903,891.00	3.72	452,628.00	-4.99	-870,800.00	-16.35	1,138,340.00	7.16	464,639.00	5.68
COLLECTIONS										
1987 TOTAL	3,744,301.00	28.28	1,437,388.00	71.81	2,581,756.00	47.96	10,115,698.00	42.52	2,317,745.00	44.41
1986 TOTAL	3,087,899.00	26.87	1,106,534.00	74.99	2,298,617.00	47.82	9,447,951.00	38.41	1,943,117.00	39.80
CHANGE FROM 86	656,402.00	1.41	330,854.00	-3.18	283,139.00	0.14	667,747.00	4.11	374,628.00	5.61
GRANT REVENUES										
1987 TOTAL	30,781,870.00	120.13	2,814,042.00	82.70	9,552,801.00	88.48	17,533,987.00	58.60	10,442,619.00	85.93
1986 TOTAL	26,807,748.00	110.12	2,680,782.00	85.31	9,531,951.00	93.67	16,223,970.00	61.18	9,756,346.00	89.41
CHANGE FROM 86	3,954,122.00	10.01	133,260.00	-20.85	-20,850.00	-5.19	1,310,017.00	-2.58	686,273.00	-3.48
ACCOUNTS REC.										
1987 TOTAL	1,971,749.00	14.89	329,828.00	1,259,579.00	1,259,579.00	23.58	4,935,087.00	20.74	1,182,566.00	22.66
1986 TOTAL	2,209,178.00	19.22	285,477.00	1,137,140.00	1,137,140.00	23.65	4,963,798.00	20.18	938,788.00	18.60
CHANGE FROM 86	-237,429.00	-4.33	44,351.00	122,439.00	122,439.00	-0.07	-28,709.00	0.56	243,778.00	4.06
SLIDING FEE EXP.										
1987 TOTAL	6,080,643.00	45.93	274,473.00	2,056,673.00	2,056,673.00	38.50	5,004,489.00	21.03	2,005,804.00	38.44
1986 TOTAL	5,132,192.00	44.67	214,787.00	2,136,407.00	2,136,407.00	44.44	4,367,998.00	17.76	2,182,978.00	43.26
CHANGE FROM 86	948,451.00	1.26	59,686.00	-79,734.00	-79,734.00	-5.94	636,493.00	3.27	-177,174.00	-4.82
BAD DEBT										
1987 TOTAL	881,810.00	6.66	19,530.00	140,588.00	140,588.00	2.83	1,321,818.00	5.55	276,062.00	5.29
1986 TOTAL	390,601.00	3.39	29,970.00	112,841.00	112,841.00	2.34	1,393,142.00	5.66	292,601.00	5.60
CHANGE FROM 86	491,209.00	3.27	-10,440.00	27,728.00	27,728.00	0.28	-71,328.00	-0.11	-6,539.00	-0.31
EXPENSES										
1987 TOTAL	43,018,187.00	168.00	4,933,399.00	15,114,720.00	15,114,720.00	140.00	48,076,070.00	154.00	18,685,070.00	162.00
1986 TOTAL	38,461,355.00	158.00	3,727,538.00	14,562,582.00	14,562,582.00	144.00	41,363,339.00	156.00	16,695,096.00	153.00
CHANGE FROM 86	4,556,832.00	10.00	1,205,861.00	462,138.00	462,138.00	-4.00	4,712,731.00	-2.00	2,989,974.00	9.00
USERS	SURVEYED	ACTUAL	SURVEYED	ACTUAL	SURVEYED	ACTUAL	SURVEYED	ACTUAL	SURVEYED	ACTUAL
1987 TOTAL	132,369	256,060	20,016	53,409	53,409	107,962	237,894	299,195	52,179	121,512
1986 TOTAL	114,887	243,426	14,754	48,067	48,067	101,754	245,920	265,149	50,459	109,118
CHANGE FROM 86	17,482	12,634	5,262	5,342	5,342	6,208	-8,026	34,046	1,720	12,394

BCFR & SURVEY DATA COMBINED

IN DOLLARS	ALL REGIONS TOTAL	ALL REGIONS PER USER	UNDER 8,000 USERS-TOTAL	OVER 8,000 USERS-TOTAL	COST/USER <8,000 USERS	COST/USER >8,000 USERS
GROSS CHARGES						
1987 TOTAL	172,083,408.00	107.14	51,572,075.00	120,511,333.00	113.81	104.48
1986 TOTAL	151,740,333.00	101.81	42,871,708.00	108,868,625.00	103.79	101.06
CHANGE FROM 86	20,343,075.00	5.33	8,800,367.00	11,445,708.00	10.12	3.42
COLLECTIONS						
1987 TOTAL	84,038,291.00	52.32	27,680,760.00	56,357,531.00	61.14	48.86
1986 TOTAL	75,558,270.00	50.70	24,749,908.00	50,808,362.00	60.20	47.08
CHANGE FROM 86	8,480,021.00	1.62	2,930,852.00	5,549,169.00	0.94	1.78
GRANT REVENUES						
1987 TOTAL	203,363,717.00	74.97				
1986 TOTAL	193,537,175.00	73.18				
CHANGE FROM 86	9,826,542.00	1.79				
ACCOUNTS REC.						
1987 TOTAL	34,237,376.00	21.31	10,351,102.00	23,886,274.00	22.86	-20.71
1986 TOTAL	32,211,451.00	21.61	8,896,223.00	23,305,228.00	21.66	-21.59
CHANGE FROM 86	2,025,925.00	-0.30	1,444,879.00	581,046.00	1.12	-0.88
SLIDING FEE EXP.						
1987 TOTAL	51,544,123.00	32.09	13,472,580.00	38,071,543.00	29.75	33.00
1986 TOTAL	46,340,978.00	31.09	11,531,924.00	34,809,054.00	28.05	32.25
CHANGE FROM 86	5,203,145.00	1.00	1,940,656.00	3,262,489.00	1.70	0.75
BAD DEBT						
1987 TOTAL	6,423,318.00	3.99	1,720,972.00	4,702,346.00	3.80	4.07
1986 TOTAL	5,131,408.00	3.44	1,554,279.00	3,577,129.00	3.78	3.31
CHANGE FROM 86	1,291,910.00	0.55	166,693.00	1,125,217.00	0.02	0.76
EXPENSES						
1987 TOTAL	395,190,864.00	145.71				
1986 TOTAL	346,693,784.00	138.24				
CHANGE FROM 86	48,497,080.00	7.47				
USERS	SURVEYED	ACTUAL				
1987 TOTAL	1,606,063	2,712,168				
1986 TOTAL	1,490,313	2,507,896				
CHANGE FROM 86	115,750	204,272				

**SURVEY
DATA ANALYSIS**

REPORT 5:

***NET FINANCIAL IMPACT BY REGION
ACCRUAL AND CASH BASED
PER USER AND TOTAL***

REGION I TABLE

REGION I				
USERS 2,712,168				
IN DOLLARS	ACCRUAL	ACCRUAL	CASH	CASH
	REVENUE PER	TOTAL IMPACT	CASH /USER	TOTAL IMPACT
	USER SHIFT	ON REVENUE	SHIFT	ON CASH
SOURCES OF FUNDS				
GROSS CHARGES	-0.19	-18,744.22		
COLLECTIONS			-1.24	-126,884.79
GRANT REVENUE	-9.16	-937,774.31	-9.16	-937,774.31
TOTAL CHANGES IN REVENUE	-9.35	-956,518.53	-10.40	-1,064,659.11
USE OF FUNDS				
SLIDING FEE EXPENSE	0.34	34,840.99	0.34	34,840.99
BAD DEBT EXPENSE	0.62	63,944.75	0.62	63,944.75
OTHER	4.04	413,443.83	4.04	413,443.83
TOTAL EXPENSE	5.00	512,229.57	5.00	512,229.57
GAIN OR LOSS FROM OPER.	-14.35	-1,468,748.10	-15.40	-1,576,888.68
CASH NEEDED TO FUND A/R INC.				0.00
GAIN OR LOSS IN CASH				-1,576,888.68

REGION I

Clinic users increased while grant revenues were significantly reduced. That combination caused grant revenues to decline \$9.16 per user. The percent of gross charges collected in Region I has declined in 1987, which caused collections per user to decline \$1.24 per user. Sliding fee, bad debt and other expenses are all increasing, thus, every item measured shows an adverse trend.

REGION II TABLE

REGION II				
USERS 447,465				
IN DOLLARS	ACCRUAL	ACCRUAL	CASH	CASH
	REVENUE PER	TOTAL IMPACT	CASH /USER	TOTAL IMPACT
	USER SHIFT	ON REVENUE	SHIFT	ON CASH
SOURCES OF FUNDS				
GROSS CHARGES	10.69	4,784,168.59		
COLLECTIONS			2.15	960,280.08
GRANT REVENUE	10.24	4,583,774.68	10.24	4,583,774.68
TOTAL CHANGES IN REVENUE	20.93	9,367,943.28	12.39	5,544,054.77
USE OF FUNDS				
SLIDING FEE EXPENSE	4.78	2,135,597.26	4.78	2,135,597.26
BAD DEBT EXPENSE	-0.61	-272,418.97	-0.61	-272,418.97
OTHER	8.83	3,953,890.74	8.83	3,953,890.74
TOTAL EXPENSE	13.00	5,817,069.03	13.00	5,817,069.03
GAIN OR LOSS FROM OPER.	7.93	3,550,874.25	-0.61	-273,014.26
CASH NEEDED TO FUND A/R INC.			-9.88	0.00
GAIN OR LOSS IN CASH				-273,014.26

REGION II

The mean sliding fee expense increased 153.79% in Region II while users increased 84.68% which increased the cost per clinic user by \$4.78. In addition, other expenses were up \$8.83 per user.

Fortunately, grant revenues and collections increased also. This Region's percent of gross charges actually collected declined in 1987. If this is the start of a trend, Region II will experience tremendous revenue deficits in future years.

REGION III TABLE

REGION III				
USERS 332,765				
IN DOLLARS	ACCRUAL:	ACCRUAL:	CASH:	CASH:
	REVENUE PER	TOTAL IMPACT	CASH /USER	TOTAL IMPACT
	USER SHIFT	ON REVENUE	SHIFT	ON CASH
SOURCES OF FUNDS				
GROSS CHARGES	-1.68	-557,901.73		
COLLECTIONS			-5.46	-1,819,030.08
GRANT REVENUE	3.60	1,199,918.15	3.60	1,199,918.15
TOTAL CHANGES IN REVENUE	1.92	642,016.43	-1.86	-619,111.93
USE OF FUNDS				
SLIDING FEE EXPENSE	-0.46	-152,397.44	-0.46	-152,397.44
BAD DEBT EXPENSE	0.55	186,028.61	0.55	186,028.61
OTHER	5.91	1,962,831.78	5.91	1,962,831.78
TOTAL EXPENSE	6.00	1,996,462.95	6.00	1,996,462.95
GAIN OR LOSS FROM OPER.	-4.08	-1,354,446.53	-7.86	-2,615,574.88
CASH NEEDED TO FUND A/R INC.			0.99	-329,512.16
GAIN OR LOSS IN CASH				-2,945,087.04

REGION III

The percent of gross charges collected declined in 1987, while regular users and sliding fee users increased 14.48% and 18.91% respectively. The net result is a decrease in per user collections of \$5.46. Fortunately, grant revenue covered part of the deficit, but with the \$5.91 per user increase in expenses the Region lost \$7.86 per user in net operating position.

If the declining trend in gross charges and collections continued while expenses are increasing, Region III is likely to continue experiencing cash shortfalls in the absence of corrective action.

REGION IV TABLE

REGION IV				
USERS 745,195				
IN DOLLARS	ACCRUAL	ACCRUAL	CASH	CASH
	REVENUE PER	TOTAL IMPACT	CASH /USER	TOTAL IMPACT
	USER SHIFT	ON REVENUE	SHIFT	ON CASH
SOURCES OF FUNDS				
GROSS CHARGES	9.30	6,929,443.81		
COLLECTIONS			0.53	397,845.67
GRANT REVENUE	2.20	1,639,119.48	2.20	1,639,119.48
TOTAL CHANGES IN REVENUE	11.50	8,568,563.29	2.73	2,036,965.15
USE OF FUNDS				
SLIDING FEE EXPENSE	2.39	1,779,803.97	2.39	1,779,803.97
BAD DEBT EXPENSE	0.67	500,334.90	0.67	500,334.90
OTHER	10.94	8,152,560.19	10.94	8,152,560.19
TOTAL EXPENSE	14.00	10,432,699.06	14.00	10,432,699.10
GAIN OR LOSS FROM OPER.	-2.50	-1,864,135.77	-11.27	-8,395,733.91
CASH NEEDED TO FUND A/R INC.			0.65	-481,016.82
GAIN OR LOSS IN CASH				-8,876,750.73

REGION IU

The percent of gross charges collected declined 6.93% while gross charges increased dramatically. This created a tremendous deficit in charges per user (\$9.30) and in collections per user (\$.53).

The increase in gross charges may have contributed to the increase in expenses, however, total cash expenses are \$11.27 more than the cash available to pay those expenses.

REGION V TABLE

REGION V				
USERS 265,545				
IN DOLLARS	ACCRUAL	ACCRUAL	CASH	CASH
	REVENUE PER	TOTAL IMPACT	CASH /USER	TOTAL IMPACT
	USER SHIFT	ON REVENUE	SHIFT	ON CASH
SOURCES OF FUNDS				
GROSS CHARGES	2.04	540,736.11		
COLLECTIONS			5.07	1,345,719.31
GRANT REVENUE	-2.79	-740,937.66	-2.79	-740,937.66
TOTAL CHANGES IN REVENUE	-0.75	-200,201.55	2.28	604,781.65
USE OF FUNDS				
SLIDING FEE EXPENSE	-1.18	-314,809.09	-1.18	-314,809.08
BAD DEBT EXPENSE	0.44	115,497.39	0.44	115,497.39
OTHER	-1.26	-331,898.76	-1.26	-331,898.76
TOTAL EXPENSE	-2.00	-531,210.46	-2.00	-531,210.46
GAIN OR LOSS FROM OPER.	1.25	331,008.91	4.28	1,135,992.12
CASH NEEDED TO FUND A/R INC.			-0.51	0.00
GAIN OR LOSS IN CASH				1,135,992.12

REGION U

This is an interesting Region. Region U was able to increase the percent of gross charges collected by 5.76%. This explains why collections exceeded gross charges. This Region experienced a 29.13% increase in sliding fee users but only a 4.23% increase in sliding fee dollars. This translates into a decrease per user of \$1.18. Their accounts receivable and other expenses have also declined. It appears that Region U has been managing its revenues and expenses for survival and though they have been able to balance their budget, it probably has been at the expense of the indigent population of the Region.

REGION VI TABLE

REGION VI				
USERS 256,060				
IN DOLLARS	ACCRUAL	ACCRUAL	CASH	CASH
	REVENUE PER	TOTAL IMPACT	CASH /USER	TOTAL IMPACT
	USER SHIFT	ON REVENUE	SHIFT	ON CASH
SOURCES OF FUNDS				
GROSS CHARGES	3.72	953,457.98		
COLLECTIONS			1.41	360,823.41
GRANT REVENUE	10.01	2,562,778.89	10.01	2,562,778.89
TOTAL CHANGES IN REVENUE	13.73	3,516,236.87	11.42	2,923,602.29
USE OF FUNDS				
SLIDING FEE EXPENSE	1.26	324,021.15	1.26	324,021.15
BAD DEBT EXPENSE	3.27	835,238.27	3.27	835,238.27
OTHER	5.47	-331,898.76	5.47	-36,734,278.21
TOTAL EXPENSE	10.00	2,560,657.56	10.00	2,560,657.56
GAIN OR LOSS FROM OPER.	3.73	955,579.31	1.42	362,944.73
CASH NEEDED TO FUND A/R INC.			-4.33	0.00
GAIN OR LOSS IN CASH				362,944.73

REGION UI

Sliding Fee increased 18.48% and bad debt increased 109.63% in Region UI. This resulted in a per user increase in sliding fee of \$1.26 and bad debt of \$3.27. Other expenses were increased \$5.47. This Region was able to cover its problems by reducing accounts receivable and increasing grant revenue. However, accounts receivable can only be reduced one time and is not a source of funds for future years.

REGION VII TABLE

REGION VII				
USERS 34,023				
IN DOLLARS	ACCRUAL	ACCRUAL	CASH	CASH
	REVENUE PER	TOTAL IMPACT	CASH /USER	TOTAL IMPACT
	USER SHIFT	ON REVENUE	SHIFT	ON CASH
SOURCES OF FUNDS				
GROSS CHARGES	-4.99	-169,603.24		
COLLECTIONS			-3.18	-108,464.11
GRANT REVENUE	-24.37	-828,899.87	-24.37	-828,899.87
TOTAL CHANGES IN REVENUE	-29.36	-998,503.11	-27.55	-937,363.98
USE OF FUNDS				
SUDING FEE EXPENSE	-0.84	-28,756.33	-0.84	-28,756.33
BAD DEBT EXPENSE	-1.06	-35,914.48	-1.06	-35,914.48
OTHER	-3.10	-105,432.22	-3.10	-105,432.22
TOTAL EXPENSE	-5.00	-170,103.03	-5.00	-170,103.03
GAIN OR LOSS FROM OPER.	-24.36	-828,400.09	-22.55	-767,260.95
CASH NEEDED TO FUND A/R INC.			-2.88	0.00
GAIN OR LOSS IN CASH				-767,260.95

REGION VII

Patient users increased 35.66% in Region VII, three times that of any other Region and 5 times the national average. Collections per user have not declined as rapidly as gross charges, expenses per user declined because of the volume increases, these are positive factors for Region VII's cash flow. Unfortunately, the decline in gross charges and grant revenues on a per user basis are very serious problems.

The reductions per user are a function of increased users rather than increased revenue on decreased expenses for a stable user population. The fact that sliding fee users increased 19% and the Region suffered a \$22.55 per user cash deficit in 1987 points to a critical cash deficit trend that will have to be addressed.

REGION VIII TABLE

REGION VIII				
USERS 107,962				
IN DOLLARS	ACCRUAL	ACCRUAL	CASH	CASH
	REVENUE PER	TOTAL IMPACT	CASH /USER	TOTAL IMPACT
	USER SHIFT	ON REVENUE	SHIFT	ON CASH
SOURCES OF FUNDS				
GROSS CHARGES	-16.35	1,764,404.74		
COLLECTIONS			0.14	15,521.80
GRANT REVENUE	-5.19	-560,693.25	-5.19	-560,693.25
TOTAL CHANGES IN REVENUE	-21.54	-2,325,097.99	-5.05	-545,171.44
USE OF FUNDS				
SLIDING FEE EXPENSE	-5.94	-641,127.35	-5.94	-641,127.35
BAD DEBT EXPENSE	0.29	48,614.30	0.29	48,614.30
OTHER	1.65	160,698.68	1.65	160,698.68
TOTAL EXPENSE	-4.00	-431,814.37	-4.00	-431,814.37
GAIN OR LOSS FROM OPER.	-17.54	-1,893,283.62	-1.05	-113,357.08
CASH NEEDED TO FUND A/R INC.			-0.07	0.00
GAIN OR LOSS IN CASH				-113,357.08

REGION VIII

The percent of gross charges collected in this Region increased 17.20%. This Region maintained collections at \$.14 per user in spite of an 11.11% increase in users and a \$16.35 per user decline in gross charges. A \$16.35 per user decline in gross charges will create a serious problem in future years should this trend continue. Sliding fee expense declined \$5.94 per user while the percent of clinic sliding fee users increased 4.31%. This suggests an aggressive collection policy may have been initiated limiting sliding fee policy to allow for more sliding fee users but reduced total discounts.

This Region appears to be managing its expenses and accounts receivable in an effort to recover from the decline in grant dollars per user and increased demand. This Region cannot continue to reduce sliding fee by \$5.54 per user with 63% of total users in sliding fee and that percentage increasing at nearly 5% per year for very long.

REGION IX TABLE

REGION IX TABLE				
USERS 299,195				
IN DOLLARS	ACCRUAL	ACCRUAL	CASH	CASH
	REVENUE PER	TOTAL IMPACT	CASH /USER	TOTAL IMPACT
	USER SHIFT	ON REVENUE	SHIFT	ON CASH
SOURCES OF FUNDS				
GROSS CHARGES	7.16	2,143,472.98		
COLLECTIONS			4.11	1,228,348.69
GRANT REVENUE	-2.58	-773,193.88	-2.58	-773,193.88
TOTAL CHANGES IN REVENUE	4.58	1,370,279.09	1.53	455,154.81
USE OF FUNDS				
SLIDING FEE EXPENSE	3.27	979,796.74	3.27	979,796.73
BAD DEBT EXPENSE	-0.11	-32,521.82	-0.11	-32,521.82
OTHER	-5.16	-1,545,732.12	-5.16	-1,545,732.12
TOTAL EXPENSE	-2.00	-598,457.19	-2.00	-598,457.19
GAIN OR LOSS FROM OPER.	6.58	1,968,736.29	3.53	1,053,612.01
CASH NEEDED TO FUND A/R INC.			0.56	-167,639.66
GAIN OR LOSS IN CASH				885,972.35

REGION IX

The number of Clinic users in this Region declined by 3.26% while the percentage of sliding fee users increased by 9.20%. This created a \$3.27 per user increase in sliding fee. In addition, the Region lost \$2.58 per user in grant revenue. Gross charges increased \$7.16 but expenses were reduced \$5.16 per user. Presumably, this will not be possible in future years. Gross charges increased \$7.16 but collections increased only \$4.11 indicating a cash problem if the trend continues unless the reduction of expenses was a result of excessive expenses in previous years.

REGION X TABLE

REGION X				
USERS 121,512				
IN DOLLARS	ACCRUAL	ACCRUAL	CASH	CASH
	REVENUE PER	TOTAL IMPACT	CASH /USER	TOTAL IMPACT
	USER SHIFT	ON REVENUE	SHIFT	ON CASH
SOURCES OF FUNDS				
GROSS CHARGES	5.68	690,388.01		
COLLECTIONS			5.91	7,187,170.67
GRANT REVENUE	-3.48	-421,886.53	-3.48	-421,886.53
TOTAL CHANGES IN REVENUE	2.20	268,501.47	2.43	296,284.14
USE OF FUNDS				
SLIDING FEE EXPENSE	-4.82	-585,880.12	-4.82	-585,880.12
BAD DEBT EXPENSE	-0.31	-37,660.69	-0.31	-37,660.69
OTHER	14.13	1,717,228.04	14.13	1,717,228.04
TOTAL EXPENSE	9.00	1,093,687.23	9.00	1,093,687.23
GAIN OR LOSS FROM OPER.	-6.80	-825,185.76	-6.57	-797,403.09
CASH NEEDED TO FUND A/R INC.			4.06	-493,643.13
GAIN OR LOSS IN CASH				-1,291,046.22

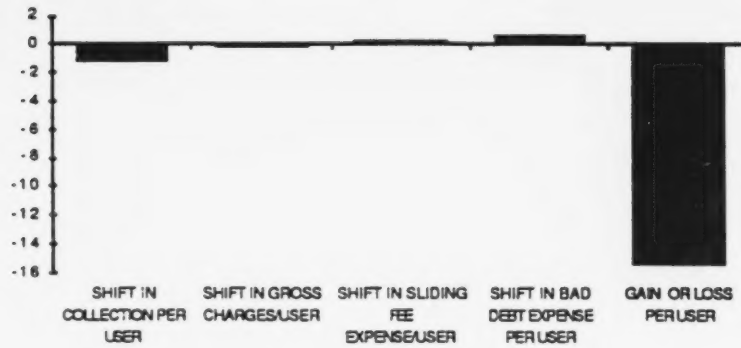
REGION X

Clinic users increased by 3.41%, sliding fee users increased by 9.57%, and sliding fee dollar expense declined by 8.12%. This reduced sliding fee expense by \$4.82 per user. This probably was the result of a management decision to restrict sliding fee discount expense to recover from the lost grant revenue and increased expenses per users.

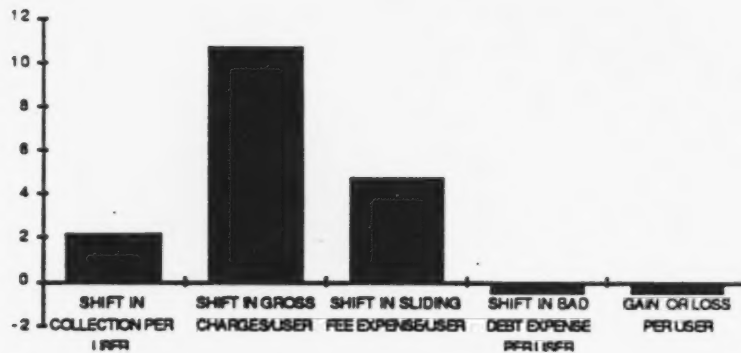
This major increase (\$14.13) in other expenses is the major contributor to the net loss per user. The cash necessary to fund increased accounts receivable was the other factor. The marked increase in accounts receivable probably relates to the decrease in sliding fee expense per user. Limited sliding fee policy may have transferred sliding fee to accounts receivable.

**SURVEY
DATA ANALYSIS**

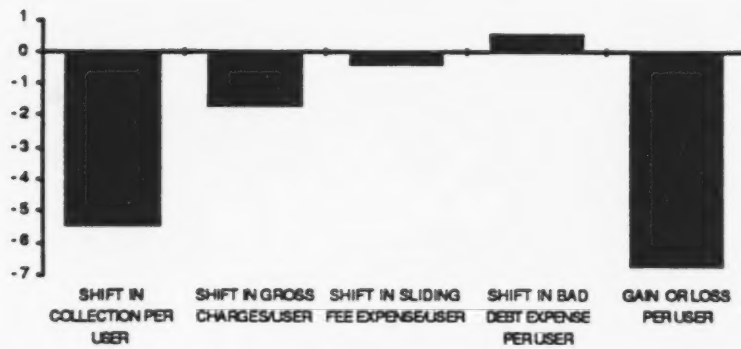
GRAPHS FOR REPORT 5



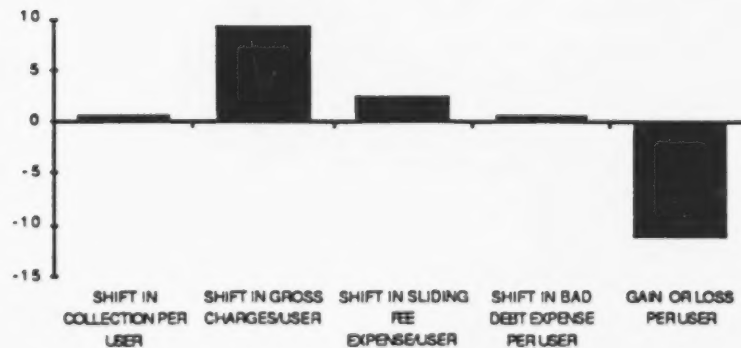
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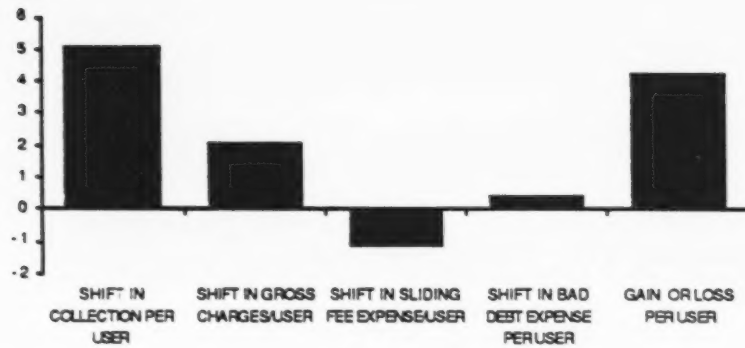


REGION III

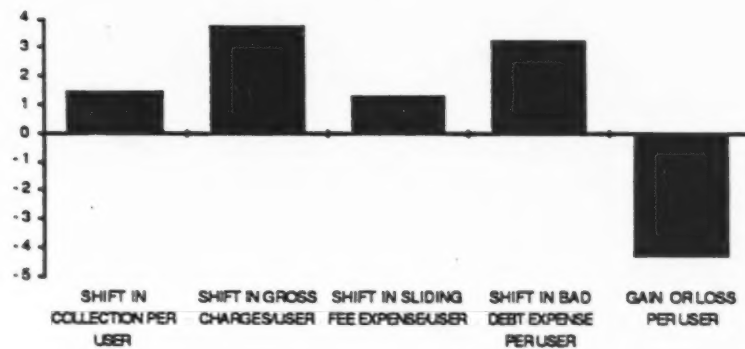


REGION IV

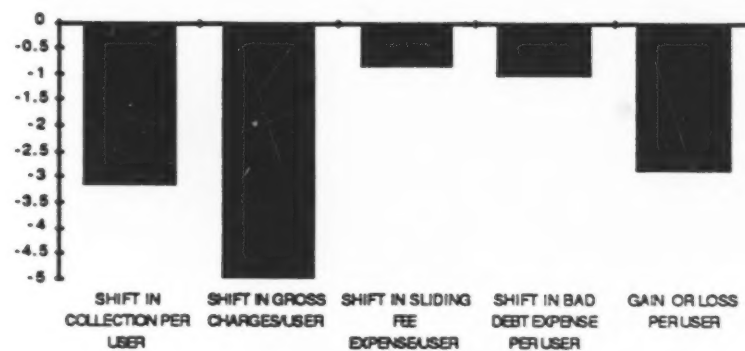




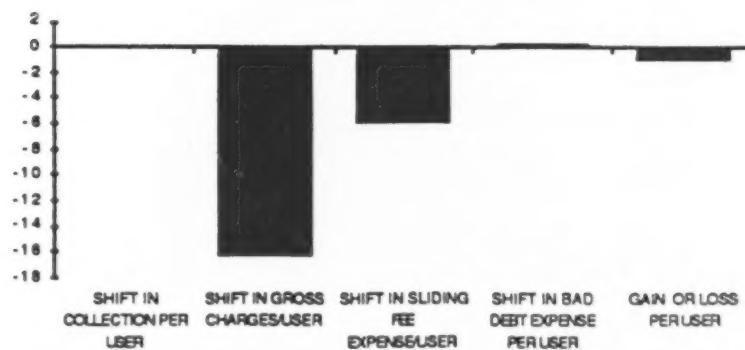
REGION VI

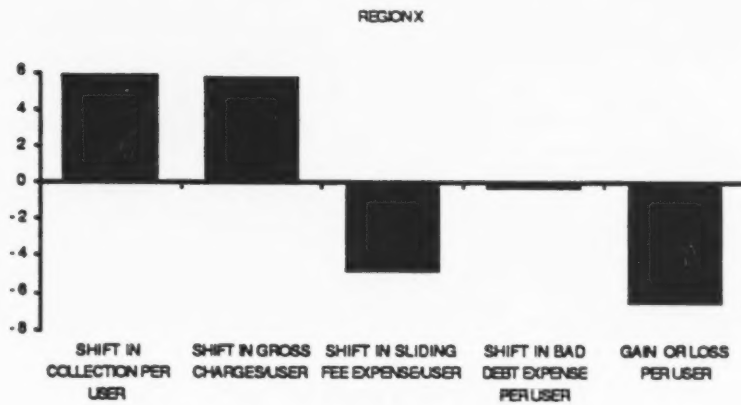


REGION VII



REGION VIII





**SURVEY
DATA ANALYSIS**

REPORT 6:

EXECUTIVE DIRECTORS' PERCEPTION QUESTIONS

RESULTS OF PERCEPTION QUESTIONS

The following is summary information on each of the questions 10-20.

QUESTION 10a. Did economic conditions prevent your CHC from providing mandated services?

1987: 34.3% of 178 CHCs responded "yes"

1986: 31.1% of 177 CHCs responded "yes"

QUESTION 10b. Were some mandated services contractually waived?

1987: 25.4% of 173 CHCs responded "yes"

1986: 21.8% of 170 CHCs responded "yes"

QUESTION 11. Was 24-hour coverage provided?

1987: 77.0% of 183 CHCs responded "yes"

1986: 74.3% of 182 CHCs responded "yes"

QUESTION 12. All 183 CHCs classified themselves as rural.

QUESTION 13a. Has PHS recently cut your funding?

59.9% of 182 CHCs responded "yes"

QUESTION 13a.a. Was there a cutback on all services?

10.4% of 183 CHCs responded "yes"

QUESTION 13a.b. Were there cutbacks in nonrequired services?

26.8% of 183 CHCs responded "yes"

QUESTION 13a.c. Were there cutbacks in required services?

12.6% of 183 CHCs responded "yes"

(10 CHCs identified cutbacks in dental care; 8 CHCs identified cutbacks in pharmacy; 14 reported cutbacks in education programs; 10 identified other types of cutbacks)

QUESTION 13a.d. Were there cutbacks in capital equipment replacement?

36.1% of 183 CHCs responded "yes"

QUESTION 13a.e. Were there cutbacks in operating expenses?

41.5% of 183 CHCs responded "yes"

(31 CHCs cutback through layoffs; 12 through not giving raises; 10 through cutting supplies; 7 by eliminating education programs; 6 by reducing services in general; 7 by cutting travel; and 22 by other cutbacks)

QUESTION 13a.f. Other cutbacks?

13.1% of 183 CHCs responded "yes"

(8 CHCs indicated they received more collections and grants from other sources; 18 CHCs gave other responses)

QUESTION 13b. If revenue fell because of economic conditions, how have you compensated?:

QUESTION 13b.a. Cutback all services?

8.7% of 183 CHCs responded "yes"

QUESTION 13b.b. Cutback nonrequired services?

23.0% of 183 CHCs responded "yes"

QUESTION 13b.c. Cutback required services?

13.7% of 183 CHCs responded "yes"

(13 CHCs cut pharmacy services; 7 cut dental services; 5 cut education programs; 12 cut in other ways)

QUESTION 13b.d. Cutback capital equipment replacement?

35.0% of 183 CHCs responded "yes"

QUESTION 13b.e. Cutback operating expense?

34.4% of 183 CHCs responded "yes"

(26 CHCs cutback through layoffs; 13 by cutting expenses in general; 5 cut travel; 7 gave no raises, 6 cut supplies; 15 cut in other areas)

QUESTION 13b.f. Other Cuts?

11.5% of 183 CHCs responded "yes"

(2 CHCs indicated financial problems due to opening new centers; 3 indicated problems with state and county support;

4 said they raised fees or improved collections; 19 gave other responses)

QUESTION 14a. Do you see or anticipate increased problems with health care access?

93.4% of 183 CHCs responded "yes"

QUESTION 14b. If Question 14a. is yes rank the order from most important to least important. RESULTS:

1. Inability to recruit or retain physicians or qualified midlevels.
2. Increased population with limited resources
3. Increased population with inadequate health insurance.
4. Lack of adequate funding for uncompensated care
5. Declining economic conditions in service areas
6. Nonacceptance of Medicaid/Medicare by other providers
7. Nonavailability of capital for facilities
8. Patient transportation to services
9. Nonavailability of innovative technology

(under "other", CHCs listed such things as physicians unwilling to work in rural areas; isolation; malpractice costs; no dentists; pharmacy costs)

QUESTION 14c. Is there more postponement of care do to inability to pay?

115 CHCs responded "yes"

23 CHCs responded "no"

43 CHCs responded "uncertain"

(4 nonresponses)

QUESTION 14d. What are the regional economic conditions?

13 CHCs responded "improving"

103 CHCs responded "declining"

64 CHCs responded "stable"

(3 nonresponses)

QUESTION 14e. Does published information about your area?

89 CHCs responded "accurate"

7 CHCs responded "overstated"

79 CHCs responded "understated"

(8 nonresponses)

QUESTION 15a. Did your clinic make any changes in sliding fee scale or its application?

42.1% of 183 CHCs responded "yes"

QUESTION 15b. If "yes" on 15a., what was the major change?\

9 CHCs said they required proof of income

23 CHCs raised minimum fee

7 CHCs advertised more

13 CHCs made better collections

7 CHCs required better collections

4 CHCs allowed fewer sliding fee users

5 CHCs applied for sliding fee grants

4 CHCs allowed more sliding fee users

(not all CHCs responding "yes" answered 15b)

QUESTION 15c. If answered "yes" on 15a., what was impact of that change?

1987: \$15,388 (from printout; mean of responses)

1986: \$7,255 (from printout; mean of responses)

QUESTION 16. What percent of service area population is over 65?

4 CHCs responded under 5%

22 CHCs responded 5 - 10%

63 CHCs responded 10 - 14%

53 CHCs responded 14 - 20%

26 CHCs responded over 20 percent

(5 nonresponses)

QUESTION 17. What percent of clinic users over 65?

Average of 170 CHCs was 13.74%

QUESTION 18. Do you think proportion of population 65 and older is?

153 CHCs said "increasing"

5 CHCs said "decreasing"

22 CHCs said "no change"

(3 nonresponses)

QUESTION 19. Do you see indigent population in your area?

152 CHCs said "increasing"

2 CHCs said "decreasing"

21 CHCs said "no change"

(8 responses)

QUESTION 20. What is major factor contributing to indigent population change?

- 108 CHCs said economic conditions
- 9 CHCs said farm conditions
- 5 CHCs said growing elderly population
- 10 CHCs said no insurance
- 2 CHCs said no other medical services available
- 3 CHCs said Medicare/Medicaid funding cuts
- 3 CHCs said immigration
- 1 CHC said expansion into poorer counties
- 1 CHC said teenage pregnancy
- 1 CHC said AIDS
- 1 CHC said revised fees

**SURVEY
DATA ANALYSIS**

REPORT 7:

***INTERPRETATION & OBSERVATIONS
SUBJECTIVE QUESTIONS***

The Executive Directors of the responding CHCs were asked perceptive and programmatic questions to learn if, and to what extent, the economy and their funding had effected their Centers' operations. Most Centers reported making major service and cost reductions in response to deteriorating economic conditions and/or reduced PHS funding.

Increased sliding fee demand, decreased collections, and decreased PHS Grant funding were reported by most Directors. To combat this, most Centers reported restricting sliding fee eligibility, deductible and co-payment to reduce the financial effect of the increased demand. Most reported it necessary to cut services and reduce operating costs, also.

This information corroborates the objective financial data and strongly supports the fact that the rural economy is severely stressed and is affecting the population's ability to pay for primary care services. Increasing numbers of rural residents are seeking services at rural Community Health Centers but rural CHCs are finding it difficult to meet the demand. They, too, are suffering financially from this increased demand and decreased funding for indigent care. CHCs are responding by reducing costs, services and offering discounted services to more patients but discounting less per patient.

Of the responding Executive Directors, 34% reported the inability to delivery all required services in 1987, due to the economic conditions of their area, while only 31.1% could not deliver those same services in 1986. In addition, 50.9% of those surveyed indicated that their Public Health Service funding was reduced in 1987.

In order to survive reduced PHS funding and reduced collections, 10.4% of the Centers cut all services and expenses, 12.6% cut required and non-required services, 28.8% cut non-required services, 36% cut capital expenditures,

Those direct services cut most frequently were dental and pharmacy. In addition, most reported layoffs, wage freezes, hiring freezes, elimination of benefits and employee educational programs as a mean of reducing costs. The reduction of direct services was a last resort in most cases.

Of directors surveyed, 93% stated they expected increased economic stress in their area and anticipated the financial position of their Center to continue to deteriorate. When directors were asked to rank problems facing their clinics, four of the top five problems were related to their patients increasing inability to pay for services.

The number one problem was the inability to recruit and/or retain mid-level providers and physicians and compounding the effects of the economics on the overall situation.

The top ten problems in order of their ranking are listed below:

1. Inability to recruit or retain qualified mid-levels and/or physicians (125 responses)
2. Increased population with limited resources (114 responses)
3. Increased population with inadequate health insurance (122 responses)
4. Lack of adequate funding for uncompensated care (126 responses)
5. Declining economic conditions in the service area (99 responses)
6. Nonacceptance of Medicare/Medicaid by other providers (89 responses)
7. Nonavailability on innovative technology (75 responses)
8. Patient transportation to services (81 responses)
9. Nonavailability of innovative technology (75 responses)

10. Other reasons for access-to-care problems (24 responses)

When directors were asked if they noted an increase in delay of care in the patient population, 63% responded that they had, 12% responded that they had not, and, 23% did not know.

Of the directors responding, 58% reported declining economic conditions in their area, 7% reported conditions improving, and, 35% reported stable economic conditions. That the percentage reporting stable conditions does not equate to the economic survey is not surprising since the majority of Centers are historically located in an impoverished area and the perception of a declining economic trend is not as noticeable.

In response to declining collections and increasing sliding fee demand, 42% of the directors reported making major changes in their sliding fee policies and procedures. Those changes were designed to decrease sliding fee utilization by increasing eligibility requirements, increasing minimum fees, enforcing republican collection procedures on self-pay amounts and requiring more strenuous documentation for all sliding fee patients.

Directors were asked the percent of their users that were Medicare and the percent of the general population that were 65 or older. The percent of Medicare users was invariably equal to the general population percentage of 65 or older. This is puzzling since, generally, the geriatric population utilizes primary care services at a greater rate than the population at large.

Of the Directors responding, 82% expected the percentage of Medicare patients in their service area to increase and 84% expected an increase in their indigent population. Both increases will negatively effect the CHCs' cash income position. Seventy percent (70%) indicated that declining

economic conditions would be responsible for the increase in the indigent population.

At the beginning of each of the following regional discussion, key shifts in sliding fee, bad debt and collections have been extracted from Data Table I for comparison purposes.

Region I

Selected Information from Data Table I

* Total clinic users, percent change in the mean	18.41 %
* Sliding fee users, percent change in the mean	7.67 %
* Percent clinic users in sliding fee- 1987	6.75 %
- 1986	7.42 %
Percentage Shift	(9.07)%
* Sliding fee change off, percent change in mean	25.43 %
* Bad debt, Percent change in mean	54.63 %
* Percent of Gross changes in bad debt, Percent shift	30.88 %
* Percent of Gross changes collected, Percent shift	1.54 %

Region I increased its clinic users by 18.41% while the population growth for the states making up this region ranged from 1.7% to 11.5%. The User

Growth rate of this region is significantly above the population growth.

The Per capita income and the growth rate of per capita income for the region are both fairly strong. However, the rural labor force declined by 1.23% in 1986 than recovered in 1987 to enable the region to grow by 1.28% during the two year period, this providing them an annual average growth of .64%. This is a very, very slow growth when compared to the USA Average Growth of 4.67%. This region is even below the USA rural growth average of 1.07%.

The increases in sliding fee and Bad debt are probably related to the lack of job growth in the rural areas and the heavy concentration of forestry and related industries.

Region II

Selected Information from Data Table I

* Total clinic users, Percent change in the mean	7.72 %
* Sliding fee users, Percent change in the mean	84.68 %
* Percent clinic users in sliding fee- 1987	16.43 %
- 1986	9.58 %
Percentage Shift	71.45 %
* Sliding fee change off, Percent change in mean	153.79 %
* Bad Debt, Percent change in mean	(10.87)%
* Percent of Gross change in bad debt, Percent shift	(25.13)%
* Percent of Gross change collected, Percent shift	(6.68)%

Region II increased its clinic users by 7.72% while the population growth rate for the states making up this region range from 1.2% to 3.5%. The user growth rate of this region is above the population growth. Sliding fee users grew 84.68%, also well above the population growth.

The per capita income and the growth rate of per capita income for the region are both a little above the USA average. The rural labor force increased modestly in 1986, but improved in 1987. The rate of increase for the two years was 3.18% for an average annual growth of 1.59%. This is slightly above the 1.07% growth rate for rural USA, but still considerably below the USA 4.67% average.

The growth in jobs, per capita income and the fact that none of the four basic industries are concentrated in region II seem to support the decrease in bad debt. However, one can not gain comfort from this fact for region II has

Selected Information from Data Table I

Region IV

Selected Information from Data Table I

* Total clinic users, Percent change in the mean	6.57%
* Sliding fee users, Percent change in the mean	9.21%

* Percent clinic users in sliding fee- 1987	62.89%
- 1986	61.37%
Percentage Shift	2.48%
* Sliding fee change off, Percent change in mean	12.15%
* Bad Debt, Percent change in mean	27.83%
* Percent of Gross change in bad debt, Percentage shift	10.22%
* Percent of Gross change collected, Percent shift	(6.93)%

Region IV increased its clinic users by 6.57% while the population growth for the states making up the region range from 1.8 to 19.8. This rate of growth seems reasonable in relation to the population growth, however sliding fee user growth is disproportionately larger.

The per capita income in Region IV is below the USA average, except Florida, with some states far below (such as Kentucky at 79.8% and Mississippi at 69.3%) the USA per capita income. The growth rate of income during 1979 through 1985 is reasonably acceptable, except for Kentucky and Mississippi both significantly below the USA average growth. However, when we look at the income range of the individual counties, we identify that not all counties are at an acceptable level, particularly in Mississippi and Kentucky with the poorest counties showing virtually no growth in income, thus actually losing a lot of buying power if inflation were considered. There are also a number of counties doing quite well in this region, which is illustrative of the fact that there are a lot of variation in the impact of the varying economic conditions. Some counties are doing quite well and others doing very poorly.

This seems to support the increase in bad debt, sliding fee and the decrease in collections, especially when consideration to the fact that region IV has concentrations in agriculture, energy and Forestry and a rural labor force which has only grown 1.87%.

Region V

Selected information from Data Table I

* Total clinic users, Percent change in the mean	9.84%
* Sliding fee users, Percent changes in the mean	29.13%
* Percent Clinic users in sliding fee - 1987	34.47%
1986	29.32%
Percentage Shift	17.57%
* Sliding fee change off, percent change in mean	4.23%
* Bad Debt, Percent change in mean	29.45%

- | | |
|--|--------|
| * Percent of Gross changes in bad debt, percentage shift | 15.82% |
| * Percent of Gross changes collected, percentages shift | 5.76% |

Region V increased its clinic uses by 9.84% while the population growth for the states making up this region range from <1.2> to 5.3%. The uses growth rate of 9.84% is significantly above the population growth. Sliding fee users grew at 29.13%, also well above the population growth.

The per capita income in Region V is very mixed. States like Wisconsin and Indiana are far below the USA average, while the remainder are somewhat closer to average. The growth rate of income through this region is below the USA average with only Minnesota breaking the average mark. There are numerous counties in this region performing very poorly both in the heavily population areas and the remote populated areas. Even the best performing counties in Region V are barely achieving success equal to the USA average. This seems to support the increase in sliding fee, bad debt, but not the modest increase in collection. The Rural Labor Force in Region V actually declined by <2.39%>, made a slight recovery during the year of 1987 bringing the two year decline down to <2.25%> for an average annual decline of <1.12%> in the labor force.

When we consider the economic information above, and the fact that Region V has heavy concentrations in Agriculture, it is hard to understand why the figures don't look worse. I believe this is because there are other factors besides economic condition influencing the sliding fee, bad debt and collection totals.

Region VI

Selected Information from Data Table I

* Total clinic users, Percent change in the mean	15.22%
* Sliding fee users, Percent changes in the mean	10.31%
* Percent Clinic users in sliding fee - 1987	81.78%
1986	85.41%
Percent Change	4.25%
* Sliding fee change off, percent change in mean	18.48%
* Bad Debt, Percent change in mean	109.63%
* Percent of Gross changes in bad debt, Percentage Shift	23.92%
* Percent of Gross Changes collected, Percentage Shift	.60%

Region VI increased its clinic users by 15.22% while population growth for the states making up this region range from 3.7 to 17.3. The user growth rate

of this region is above the population growth, while the sliding fee growth is at the expected level. However, note that over 80% of all users are sliding fee in this region therefore, the 10.31% increase represents a major shift.

The per capita income growth in Region VI is below the USA average in all states, except Arkansas, while the per capita income in this region is below the US average in all states. This along with the slow growth rate in the rural labor force and the concentration of energy, mining, forestry and agriculture seem to support the rapid growth in sliding fee, bad debt and the slow growth in collections.

Region VII

Selected Information from Data Table I

* Total clinic users, Percent change in the mean	35.66%
* Sliding fee users, Percent change in the mean	19.29%
* Percent Clinic users in sliding fee - 1987	30.06%
1986	34.18%
Percent Change	12.07%
* Sliding fee change off, Percent change in mean	27.79%
* Bad Debt, Percent change in mean	<34.83>%
* Percent of Gross changes in bad debt, Percentage Shift	<49.57>%
* Percent of Gross changes collected, Percent Shift	.52%

Region VII increased its clinic users by 35.44% while the population growth for the states making up the region range from <2.2>% to 4.1%. The user growth rate of this region is significantly above the population growth. Sliding fee users grew 19.29% well above the population growth.

The per capita income for the states in Region VII are all below the national average. Also, the growth rate in income is below the USA average, except for Missouri which is slightly above. However, the real story in Region VII becomes apparent when we look at the income range of counties with a population under 50,000. There are numerous counties in Region VII in sparsely populated areas performing very poorly. Nebraska has counties with negative income, growth, one as bad as <64.9>%. Missouri, Kansas and Iowa also have several counties with little or no growth.

This region increased in sliding fee, decreased in bad debt and was somewhat stable in collections. The economic data indicates conditions which support increased sliding fee, but not the decrease in bad debt. With the

rural labor force growth at only .30%, and the concentrations of Agriculture, other factors (such as management) must be influencing this region, otherwise the dollar impact could be much worse.

Region VIII

Selected Information from Data Table I

* Total Clinic users, Percent change in the mean	11.11%
* Sliding fee users, Percent changes in the mean	15.90%
* Percent Clinic users in sliding fee - 1987	63.13%
1986	60.58%
Percentage Shift	4.31%
* Sliding fee charge off, Percent change in mean	<3.73>%
* Bad Debt, Percent change in mean	24.57%
* Percent of Gross Changes in bad debt, Percentage Shift	31.01%
* Percent of Gross Changes Collected, Percent Shift	17.20%

Region VIII increased the Clinic Users by 11.11% while population growth for the states making up this region ranged from 2.4 to 14.0%. The user growth rate of this region is significantly above the population growth. The per capita income is below the USA average in all states in this region, with South Dakota and Utah being the lowest. The income growth in Region VIII is also very poor in many parts. When we look at the counties with population under 50,000 we find shifts in income which are almost identical to that of Region VII. Some counties are at or near devastation, losing up to <45.8%> of the per capita income. Considering the rural labor force in the region decreased <1.68%> for the two years (.84% average) and the heavier concentration of energy, mining and agriculture CHC's in region VIII coped extremely well, considering their circumstances and factors other than economic conditions must be influencing the sliding fee, bad debt and collection. These factors are probably management.

Region IX

Selected Information from Data Table I

* Total clinic users, Percent change in the mean	<3.26%>
* Sliding fee users, percent change in the mean	6.12%
* Percent Clinic users in Sliding Fee - 1987	38.11%
1986	34.75%
Percentage Shift	9.70%
* Sliding fee charge off, percent change in mean	14.57%
* Bad Debt, Percent change in mean	<12.42%>

- * Percent of Gross changes in bad debt, Percentage Shift <17.82%>
- * Percent of Gross Changes Collected, Percent Shift .47%

Region IX decreased its clinic users by <3.26> % while the population growth for the states in the region range from 14.0% to 20.5%. The user growth rate of this region is significantly below the population growth. However, sliding fee users increased by 6.12% thereby increasing the total proportion of sliding fee.

The per capita income in Region IX is fairly strong with only Arizona being slightly below the USA average. However, the growth rate is not very strong with only Arizona being slightly above the USA average. When we look at the income range of the counties with populations under 50,000 we can identify the exact same problem that we identified in Regions VII and VIII, that being a number of counties performing extremely poor with some counties being as low as 8.6%, 11%. With sliding fee up, bad debt down and collections stable we see mixed signals in both the economic data and the survey data. The rural labor force performed the best of any in the USA, but at 2.53% growth, even the best performer is only about half of the growth rate of the USA average.

Region X

Selected Information from Data Table I

* Total clinic users, Percent change in the mean	3.41%
* Sliding Fee users, Percent change in the mean	9.57%
* Percent Clinic Users in Sliding Fee - 1987	74.53%
1986	70.34%
Percent Shift	5.96%
* Sliding fee Charge off, Percent change in mean	<8.12%>
* Bad Debt, Percent Change in mean	<2.31%>
* Percent of Gross Changes in bad debt, Percentage shift	<10.72%>
* Percent of Gross Changes Collected, Percent Shift	9.01%

Region X increased its clinic users by 3.41% while the population growth for the states making up this region ranged from 2.5% to 8.0% (Alaska excluded). The user growth rate is about the same as population growth, but the sliding fee users growth is above, therefore increasing the percent of clinic users in sliding fee. The per capita income is somewhat varied, with Idaho being the low at 79.34% of the USA average, and Washington being about average. The growth rates in income of all states in Region X are far below the USA average. In counties with populations under 50,000, we again find many

counties with virtually no growth in income per capita.

With sliding fee and bad debt both declining and collections increasing, this clearly does not correlate to economic conditions. Considering this regions heavy dependence on forestry and agriculture and the poor performance in the growth of the rural labor force (.92%) I believe that other factors are influencing the data. Economic conditions do influence the data, but are not the sole determinate.

When we look at the United States as a whole, we have rural counties which have lost a significant portion of their income; with <64.9%> being the worst. We also see rural counties which have done quite well with the best being 129.5% gain in income during 1979 through 1985. However, the thing that this points out is that we cannot make blanket statements about rural America. We must be somewhat specific and relate it to the conditions which exist in that specific area.

Economic conditions do influence and correlate with the specific data, however, other factors also influence the data. Items such as management decisions, Grant dollars available, specific location, appropriate personnel, etc. Therefore, making it difficult to evaluate without looking at all factors involved. To draw valid conclusions, as to what impact economic conditions are having, we must be specific as to the exact location we are making reference to and the specific conditions which exist within that area. It is only when we do this that we can find the root of the problem and the appropriate solution.

**SURVEY
DATA ANALYSIS**

REPORT 8:

COMPARISON WITH INDEPENDENT ECONOMIC DATA

COMPARISON WITH INDEPENDENT ECONOMIC DATA

The following is a comparison of the survey results and independent economic data. The independent data used for establishing baseline economic trends for the general economy of the nation by region is:

- 1) shifts in population during the time period 1980 through 1986
- 2) per capita income as of 1985 and the percentage of the national average it represents
- 3) the percentage change in income during the years 1979 through 1985 by state; this information has been broken down further by providing the range of income for the counties with a population under 50,000 and over 50,000
- 4) the size of the rural labor force by state and by region during the years of 1986 and 1987
- 5) the respective percentage growth or decline in each region's rural labor force during the years of 1986-87
- 6) maps indicating where the concentration of energy counties, mining counties, forestry counties and agricultural counties are located; other researchers have already documented that many of the rural problems are associated with these four particular industries

At the beginning of each of the following regional discussions, key shifts in sliding fee, bad debt and collections have been extracted for comparison purposes.

Region I

*Total clinic users, percent change in the mean	18.41%
*Sliding fee users, percent change in the mean	7.67%
*Percent clinic users in sliding fee	1987 6.75%
	1986 7.42%
	Percent Shift (9.07%)
*Sliding fee discounts, percent change in mean	25.43%
*Bad debt, percent change in mean	54.63%
*Percent of gross charges in bad debt, percent shift	30.88%
*Percent of gross charges collected, percent shift	1.54%

Region I increased clinic users by 18.41% while the population growth for the states making up this region ranged from 1.7% to 11.5%. The user growth rate of this region is significantly above the population growth.

The per capita income and the growth rate of per capita income for the region are both fairly strong. However, the rural labor force declined by 1.23% in 1986 then recovered in 1987 to enable the region to grow by 1.28% during the two year period, thus providing them an annual average growth of .64%. This is a very slow growth when compared to the national average growth of 4.67%. This region is even below the national rural growth average of 1.07%.

The increases in sliding fee and bad debt are probably related to the lack of job growth in the rural areas and the heavy concentration of forestry and related industries.

REGION II

*total clinic users, percent change in the mean	7.72%
*sliding fee users, percent change in the mean	84.68%
*percent clinic users in sliding fee 1987	16.43%
1986	9.58%
Percentage shift	71.45%
*sliding fee discounts, percent change in mean	153.79%
*bad debt, percent change in mean	(10.87)%
*percent of gross charges in bad debt, % shift	(25.13)%
*percent of gross charges collected, % shift	(6.68)%

Region II increased clinic users by 7.72% while the population growth rate for the states in this region range from 1.2% to 3.5%. The user growth rate of this region is above the population growth. Sliding fee users grew 84.68%, well above the population growth.

The growth in jobs, per capita income and the fact that none of the four basic industries are concentrated in Region II seem to support the decrease in bad debt. However, Region II has large increases in their sliding fee users, sliding fee expense, and a decrease in collections as a percent of gross charges. Therefore, further analysis would be needed to understand the scope of the problem.

Region III

*total clinic users, percent change in the mean	14.48%
*sliding fee users, percent change in the mean	18.91%
*percent clinic users in sliding fee	1987 25.40%
	1986 24.45%
Percentage shift	3.87%
*sliding fee discounts, percent change in mean	10.95%
*bad debt, percent change in mean	36.93%
*percent of gross charges in bad debt, % shift	21.14%
*percent of gross collections, % shift	(2.24)%

Region III increased clinic users by 14.48% while the population growth for the states in this region range from (1.9)% to 8.5%. The user growth rate of this region is significantly above the population growth. Sliding fee users grew at 18.91%, also above the population growth.

The per capita income and the growth rate for per capita income in Region III seems to be somewhat mixed, with all states being above the national average, except for Pennsylvania at 32.5% and West Virginia at 75.4%.

When the income range of the counties are examined a new phenomenon is discovered. There is a wide range of variation among how the individual counties are performing, with some counties performing very poorly in Pennsylvania, Virginia, and West Virginia. On the other hand, all states except West Virginia have counties performing well above the national average. These facts along with the concentration of energy, forestry and agricultural industries supports the increase in bad debt, sliding fee and the declining rate of collection within Region III.

Region IV

*total clinic users, percent change in the mean	6.57%
*sliding fee users, percent change in the mean	9.21%
*percent clinic users in sliding fee	1987 62.89%
	1986 61.37%
Percentage shift	2.48%
*sliding fee discounts, percent change in mean	12.15%
*bad debt, percent change in mean	27.83%
*percent of gross charges in bad debt, % shift	10.22%
*percent of gross charges collected, % shift	(6.93)%

Region IV increased clinic users by 6.57% while the population growth for the states in the region range from 1.8% to 1.9%. The user rate of growth aligns with the population growth while the sliding fee user growth is disproportionately larger.

The per capita income in Region IV is below the national average, except in Florida, with some states far below the national per capita income (Kentucky at 79.8% and Mississippi at 69.3%). The growth rate of income during 1979 through 1985 is reasonably acceptable, except for Kentucky and Mississippi both being significantly below the national average growth. However, when we look at the income range of the individual counties, we identify counties that are not at an acceptable level, particularly in Mississippi and Kentucky with the poorest counties showing virtually no growth in income, thus actually losing buying power when considering inflation. There are also a number of counties doing quite well in this region, which is illustrative of the fact that there is variation in the impact of the economic conditions.

This seems to support the increase in bad debt, sliding fee and the decrease in collections, especially considering the fact that Region IV has large concentrations of agriculture, energy and forestry industries with a rural labor force which has only grown 1.87%.

Region V

*total clinic users, percent change in mean	9.84%
*sliding fee users, percent change in mean	29.13%
*percent clinic users in sliding fee	1987 34.47%
	1986 29.32%
Percentage shift	17.57%
*sliding fee discounts, percent change in mean	4.23%
*bad debt, percent change in mean	29.45%
*percent of gross charges in bad debt, % shift	15.82%
*percent of gross charges collected, % shift	5.76%

Region V increased clinic users by 9.84% while the population growth for the states in this region range from (1.2)% to 5.3%. The users growth rate of 9.84% is significantly above the population growth. Sliding fee users grew at 29.13%, also well above the population growth.

The per capita income in Region V is very mixed. States like Wisconsin and Indiana are far below the national average, while the remainder of the states are somewhat closer to average. The growth rate of income through this region is below the national average with only Minnesota breaking the average mark. There are numerous counties in this region performing very poorly both in the heavily populated areas and the sparsely populated areas. Even the best performing counties in Region V are not as high as the rate of income for the national average. This seems to support the increase in sliding fee, bad debt, but not the modest increase in collection. The rural labor force in Region V actually declined by (2.39)% in 1986, made a slight recovery during 1987 bringing the two year decline down to (2.25)% for an average annual decline of (1.12)% in the labor force.

In view of the above economic information and the fact that Region V has heavy concentrations of agriculture, it is hard to understand why the data does not appear worse than it does. Obviously, there are other factors besides the economic conditions that influence the sliding fee, bad debt and collection totals.

Region VI

*total clinic users, percent change in mean	15.22%
*sliding fee users, percent change in mean	10.31%
*percent clinic users in sliding fee	1987 81.78%
	1986 85.41%
Percentage shift	4.25%
*sliding fee discounts, percent change in mean	18.48%
*bad debt, percent change in mean	109.63%
*percent of gross charges in bad debt, % shift	23.92%
*percent of gross charges collected, % shift	.60%

Region VI increased clinic users by 15.22% while population growth for the states in this region range from 3.7% to 17.3%. The user growth rate of this region is above the population growth, while the sliding fee growth is at the expected level. However, note that over 80% of all users in this region are sliding fee users, therefore, the 10.31% increase represents a major shift.

The per capita income growth in Region VI is below the national average in all states, except Arkansas, while the per capita income in all states in this region is below the national average. This, along with the slow growth rate in the rural labor force and the concentration of energy, mining, forestry and agriculture seem to support the rapid growth in sliding fee, bad debt and the slow growth in collections.

Region VII

*total clinic users, percent change in mean	35.66%
*sliding fee users, percent change in mean	19.29%
*percent clinic users in sliding fee	1987 30.06%
	1986 34.18%
Percentage shift	12.07%
*sliding fee discounts, percent change in mean	27.79%
*bad debt, percent change in mean	(34.83)%
*percent of gross charges in bad debt, % shift	(49.57)%
*percent of gross charges collected, % shift	.52%

Region VII increased clinic users by 35.44% while the population growth for the states in the region range from (2.2)% to 4.1%. The user growth rate of the region is significantly above the population growth and sliding fee users grew 19.29%, well above the population growth for the region.

The per capita income for the states in Region VII are all below the national average. Also, the growth rate in income is below the national average, except for Missouri which is slightly above. However, the real story in Region VII becomes apparent when we look at the income range of counties with a population under 50,000. There are numerous counties in the sparsely populated areas of Region VII that are performing very poorly. Many counties in Nebraska are showing a negative income growth (one county showing a negative 69.4%). Missouri, Kansas and Iowa also have several counties with little or no growth.

This region increased in sliding fee, decreased in bad debt and was somewhat stable in collections. The economic data indicates conditions which support increased sliding fee, but not the decrease in bad debt. With the rural labor force growth at only .30% and the concentration of agriculture in this region other factors (such as management) must be influencing this region, otherwise the dollar impact would be much worse.

Region VIII

*total clinic users, percent change in the mean	11.11%
*sliding fee users, percent changes in the mean	15.90%
*percent clinic users in sliding fee	1987 63.18%
	1986 60.58%
Percentage shift	4.31%
*sliding fee discounts, percent change in mean	(3.73)%
*bad debt, percent change in mean	24.57%
*percent of gross charges in bad debt, % shift	31.01%
*percent of gross charges collected, % shift	17.20%

Region VIII increased clinic users by 11.11% while population growth for the states in the region ranged from 2.4% to 14.0%. The user growth rate of the region is significantly above the population growth. The per capita income is below the national average in all states with South Dakota and Utah the lowest. The income growth in Region VIII is very poor in many areas with counties less than 50,000 in population showing shifts in income which are almost identical to that of Region VII. Some counties are near devastation, losing up to (45.8)% of the per capita income. Considering the two year decrease in the rural labor force of (1.68)% and the heavier concentration of CHCs in mining, forestry or agricultural areas, Region VIII coped extremely well. Again, considering all the economic circumstances, other factors not included in this data must be effecting the rates of sliding fee, bad debt and collections.

Region IX

*total clinic users, percent change in the mean	(3.26)%
*sliding fee users, percent change in the mean	6.12%
*percent clinic users in sliding fee	1987 38.11%
	1986 34.75%
Percentage shift	9.70%
*sliding fee discounts, percent change in mean	14.57%
*bad debt, percent change in mean	(12.42)%
*percent of gross charges in bad debt, % shift	(17.82)%
*percent of gross charges collected, % shift	.47%

Region IX decreased clinic users by (3.26)% while the population growth for the states in the region range from 14.0% to 20.5%. The user growth rate of the region is significantly below the population growth. However, sliding fee users increased by 6.12% thereby increasing the total proportion of sliding fee.

The per capita income in Region IX is fairly strong, only Arizona is slightly below the national average, but the growth rate is not strong. Examining the counties with populations under 50,000 there appears the same problems as identified in Regions VII and VIII - some counties performing extremely poor and having an per capita income as low as 8.6% to 11%. With an increase in sliding fee, a decrease in bad debt, and collections stable, we see mixed signals for Region IX in both the economic data and the survey data. The rural labor force performed the best of any in the USA, but this rate of 2.53% growth is still only half as much as the national average.

REGION X

*total clinic users, percent change in the mean	3.41%
*sliding fee users, percent change in the mean	9.57%
*percent clinic users in sliding fee	1987 74.53%
	1986 70.34%
Percentage shift	5.96%
*sliding fee discounts, percent change in mean	(8.12)%
*bad debt, percent change in mean	(2.31)%
*percent of gross charges in bad debt, % shift	(10.72)%
*percent of gross charges collected, % shift	9.01%

Region X increased clinic users by 3.41% while the population growth for the states in this region ranged from 2.5% to 8.0% (Alaska excluded). The user growth rate is about the same as the population growth, but the sliding fee user growth is above, therefore increasing the percent of clinic users in sliding fee. The per capita income is somewhat varied, with Idaho being the lowest with 79.34% of the national average, and Washington the highest with about the same percentage as the national average. The growth rates in income of all states in Region X are far below the national average. In counties with less than 50,000 population we again find many counties with virtually no growth in income per capita.

Sliding fee and bad debt both declined and collections increased but this does not correlate to other economic conditions. Considering Region X's heavy dependence on forestry and agriculture and the negative growth of the rural labor force at (.92%) factors other than economic ones must be influencing the data.



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